

What Are Canada's "War Aims"?

By F. R. SCOTT
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SATURDAY NIGHT

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Further analysis of the entries in the Royal Visit Photograph Competition has revealed the fact that the Maritime Provinces, which were the last part of Canada to be visited by Their Majesties, are much less fully represented than the other Provinces. As it is most important that the Album to be presented to Their Majesties should be fully representative of all sections of the Dominion, and as the shortage of entries from the Maritimes may be due to lack of time to get negatives developed and prints made, we have decided to extend the time for entries in Region One (the Maritimes and Quebec) until Saturday next, July 22. Prints received before noon of that day will be eligible for the Regional prize of Twenty-five Dollars and for acceptance for the Album, but (in fairness to competitors from other regions) will not compete for the National prize of One Hundred Dollars. We are not anxious for more pictures from Quebec, though any such will be given full consideration; but we hope that our photographic friends in Nova Scotia, New Brunswick and Prince Edward Island will come forward and see to it that their Provinces are properly pictured. The coupon will be found on page 4.

THE FRONT PAGE

Founded fear of aggression by the United States that led to Confederation. Canadian trade with Great Britain was less stable and less officially encouraged than it is today. The progress of British North America was constantly hampered and impeded by the changing personnel and often short-sighted views of Downing Street authorities. Instead of too much in the way of transportation facilities between the different parts of the northern half-continents there was too little, and the separated colonies were too dependent on the adjacent States for the supplies they needed and a market for their own produce. There were plenty of unemployment problems, but as everybody believed that being unemployed was a man's own fault nobody bothered very much about them, which may have been slightly inhumane but saved a great deal of political bother. In that atmosphere there came to the front men like Macdonald, Cartier, McGee, Tilley, Tupper, Langevin, Pope and the rest of the remarkable galaxy whose assembling at Charlottetown is to be commemorated next week, and who had at least one thing which some of their successors, perhaps equally able, seem to lack—the self-mastery which enabled them to set aside purely personal rivalries and jealousies when a great cause had to be served.

Case for Neutrality

PROFESSOR F. R. SCOTT, whose article on the lack of objectives in Canada's foreign policy we print on another page, is the leading representative of a school of thought which is sometimes termed the professorial, but might better be called the coldly intellectual. It is a school of thought which cannot be ignored, although it is probably less influential at the moment than it was a year or two ago. It attaches what many people believe to be an exaggerated importance to the idea of a new world order, superseding the existing national states. It is not altogether a coincidence that most of its adherents are also Socialists, and believe in a very extensive reduction of the area and content of private property rights. They are of course violently opposed to the other school of Socialists who believe in the reduction of private property rights in the interests, not

of a new world order superseding national states, but of those very national states themselves—in other words, the National Socialists of Germany and Italy.

It is characteristic of this school that it should address its arguments, as Professor Scott does in part at least, to "anyone who has risen in his thinking above the primitive pull of race." The trouble is that very few of us have attained that elevation, and that still fewer have attained the further elevation which Professor Scott implicitly demands, of rising in our thinking above even the slightly higher level of national—not racial—loyalties. It is not practical politics to demand that Canadians should act as if the bombing of London were no more to them than the bombing of Nanking. History, as well as race, is against it. After all, a great many of us came, in person or by ancestry, from London, and a great many more, a trifle longer ago, from Paris, and hardly any of us from Nanking; and these things do make a difference. Besides, why should the argument stop at London? Why should Professor Scott, living in Montreal, be more interested in the bombing of Toronto than in that of Nanking? Yet he is willing that Montrealers should defend Toronto, or vice versa, even without regard to the effect that such a war might have on the progress of the new world order. And what about the rights and wrongs of the war in which Canada might be attacked? Suppose Japan went to war with Canada to enforce the free admission of Japanese into the Dominion? Surely in that event one who has risen above the primitive pull of race ought to say that the Japanese are right and Canada should not fight them. Yet Professor Scott erects territorial sovereignty and the right of exclusion into sacred principles which every nation is entitled to fight for just as much as for the new world order. This is very old world order stuff indeed.

There is no doubt about it that this world in which we live, lacking a new world order or any early prospect of getting one, is a very imperfect world full of nations with very imperfect national policies. To argue from that, as Professor Scott does, that it is a matter of indifference to Canada which of these imperfect-policed nations predominates in the world (he says that it is Europe alone that is concerned in the struggle, but that we cannot ad-

↑ THE PICTURES ↓

A CANADIAN CAMERA in Poland in the capable hands of Willson Woodside, SATURDAY NIGHT'S European correspondent, records these peaceful scenes in the world's current trouble spot. LEFT, Young Poland stares at the ship which is its pride and at the name which is its inspiration. CENTRE, Bydgoszcz (Bromberg) the chief city of the Corridor. The Germans built it, but on Polish land; notice the German business signs and the old German street cars still in use. RIGHT, "How the Poles went after our scrap-iron!" A big grapples at work in the busy modern port of Gdynia, the Polish maritime answer to Danzig.

mit) is to ignore not only race but cultural affinities and ideological sympathies. To declare that Canada will not assist either side in the next struggle, unless that side will pledge itself to the establishment of a new world order for which Canada herself has never shown any signs of being prepared, is to deprive the side with which Canada is more sympathetic of all hope of our aid and to assure the side which we more strongly disapprove that we will do nothing to impede its aims. We do not see the slightest likelihood that such a policy, in the present state of the world, would contribute either to the advancement of the new world order or to the ultimate security of the Dominion.

Election in the Dark

THERE has almost certainly never been an election in the history of the Dominion in which the ordinary elector has gone to the polls in a state of such blank ignorance of what will be the effect of his vote as that in which he will vote next October or whenever Herr Hitler permits Canada to select for itself another Parliament to succeed that which is now adjourned. It is possible, though hardly likely, that the result of that election will be the return of another Liberal Government. It is possible, though perhaps a little less likely, that it will be the return of a Conservative Government, curiously indebted to the support of the Liberal-Progressive Government of Ontario and the allegedly non-Conservative and anti-conscriptionist Government of Quebec. But it is more probable that it will be the election of a hodge-podge of groups, none of which will be strong enough to form a government, and none of which will have any mandate or any inclination to unite with others to form one. In these circumstances the destiny of the country will for a time rest entirely in the hands of a few of the most competent log-rollers in our public life. It is not a pleasant prospect.

It is perhaps not surprising to find the Toronto *Globe and Mail* and the Montreal *Gazette*, usually brothers-in-arms, now pursuing very different paths. The *Globe and Mail* appears to view with an entirely approving eye the design of Mr. Hepburn to throw the whole weight of the provincial patronage to the support of Dr. Manion against Mr. King. The *Gazette* wants to see an understanding between Mr. King and Dr. Manion with a view to a union of the two parties in what could then be described as a National Government. We must confess that from the point of view of the clarifying of the election issues the *Gazette's* seems to us much the more desirable of the two policies. It is quite possible that both papers are aiming at the same thing—that the *Globe and Mail*, once the election is over, will recommend what the *Gazette* is recommending before the election. The difference is that if the agreement between the old parties were arrived at before the election the electors would have a good deal to say about the policies to be pursued by the amalgamation, while if it is deferred until later the politicians will have a practically free hand.

It is by no means certain, moreover, that in the negotiations which would follow an indeterminate election, the King and Manion groups would come together. Certainly, if Dr. Manion had the option of forming a government with the aid either of Mr.

(Continued on Page Three)

New and Old France

THE exceedingly friendly and sympathetic references of Cardinal Villeneuve to the people of France, and to their national attitude in the affairs of Europe, on his return from the celebrations at which he has been such a conspicuous and honored figure, can hardly fail to have a considerable effect upon the feelings of his French-speaking fellow-citizens all over Canada. At a moment when France and Great Britain stand together as the chief defenders in Europe of those principles of freedom of faith and worship which are as bitterly assailed in one kind of totalitarian state as they are in the other kind, the breach, or perhaps we should rather say misunderstanding, which has so long existed between French Canada and Old France has been a matter of deep regret to all sincere friends of religion; and the task to which the Cardinal has evidently set himself, of removing the misunderstanding and restoring the community of thought and ideal between the two great countries using the French tongue and sharing the glories of French culture, is a most important and valuable one. It was a happy thought which led to the selection of a Canadian Cardinal to represent the Church at one of the greatest celebrations which it has held in France in many years.

Dawn of Confederation

IN THE charming little city of Charlottetown there is being celebrated during the coming week the seventy-fifth anniversary of the event which was the first step in the process leading to Confederation. As every school child knows, the Charlottetown Conference which opened on September 1, 1864, was called merely to deal with the problem of unifying the three Maritime Provinces, then each a separate colony; but on the second day of its sessions it admitted the representatives from "Canada"—the badly working Union of Upper and Lower Canada which was seeking a way out of its deadlock—and from that moment there appears, in the words of the souvenir brochure just issued by the organizers of the celebration, "to have been no further discussion of the original plan for a purely Maritime union." On September 10 the Maritime delegates reassembled at Halifax (whither they had been tactfully conveyed in a steamer belonging to the government of Canada and appropriately named the "Victoria"), and accepted the invitation of the Canadians to the Quebec Conference of October 10.

Those were days when the statesmen of British North America had large vision and a noble faith in the future of their half-continent, the energies of their fellow citizens, and the vitalizing power of British political institutions. They were not easy days; in many respects they were more difficult than those in which we live today. There was no such friendship as exists now between British North America and its great and powerful neighbor, the United States; indeed it was largely a well-

THE PASSING SHOW

BY HAL FRANK

WE DOUBT, however, if it would ever be possible to get a really united people. Consider, for example, how difficult it is to get two persons to agree on such a simple thing as the same comic strip.

AT THE BEACHES

People do not look their best
When they are partially undressed.
—Old Esthetic Manuscript.

Poland United in Face of Nazi Threat.—*Foreign Dispatch.*
Add canceled similes: As far apart as the poles.

Sir: Much too late I think of calling it Corrigan's errorplane.—*Lionel Reid.*
Cheer up. We've managed a retroactive smile.

And you will know it is Utopia, too, because the neighbors will complain that your parties are too quiet.

Our Ottawa undercover agent reports that there is certain to be a federal election this fall. He says a number of leading politicians are already hard at work dusting off their old promises.

The way to keep cool, says the Medical Health Officer, is not to think about the weather. We offer the advice for what it is worth to the diplomats of Europe.

Modern proverb: Spare the rod and you'll probably bring up a dictator.

"Mr. Herridge has the reputation of a good patient lawyer."—SATURDAY NIGHT.
That's patent.

Fable: Once upon a time week-end guests arrived at the summer cottage and brought their own supplies.

There is still a powerful school of thought in England which believes that if you give Hitler enough Eu-rope he'll hang himself.

Toronto's anti-noise by-law has been in force for several weeks now and still nobody has arrested the City Council.

However, from what we know of motorists and radio-owners, we suspect that the anti-noise by-law will be honored in the breach rather than in the observance.

Mr. Herridge Seeks Followers.—*Daily Press.*
His speeches are so vague and nebulous we don't see how anyone can follow him.

Esther, who is a great admirer of President Roosevelt, says she hopes he won't get a third term. She says she thinks he deserves to be let off for good behavior.



Poland's Race To Become A Great Power

Krakow, June 17.

BY WILLSON WOODSIDE

WHEN you consider what the Poles have to work with and what we in Canada have, and see the energy and devotion which Young Poland is putting into building a bigger and better future for their country, it makes you wonder what has come over us. Countries, as well as individuals, it seems, can be too well off for their own good. Here the Poles are, wedged in between two giant neighbors, one of whom attempted to overrun and enslave them in 1920, only two years after they had regained their freedom, and the other all too obviously preparing to try it very shortly. Yet I don't think the war scare has halted business here any more than in Canada, and I know that people talked to me just as much of the big new industrialization program as of the prospects of war in the Fall.

Poland is a desperately poor country. Seventy per cent of the people are peasants, most of them eking out a bare existence from fields that have been divided and sub-divided among over-many sons until they are only pitiful strips the width of a house, or patches the size of a couple of tennis courts. You really have to see the Polish landscape from the air to get a proper idea of this: a space which would represent one well-to-do farm in Ontario, not to even speak of the West, looks for all the world like a quilt stitched together by the Ladies' Aid out of a hundred multi-colored, odd-sized scraps.

The time has come when this can't be carried any further. Some other outlet must be found for the bumper crop of children of this, one of the most prolific peoples of Europe. Children! Never have I seen so many, not even in Russia. Hitler may talk of population pressure, with 30.7 per cent of his population under 20 years of age; but Poland has soon to find room for under-20's who represent no less than 43.1 per cent of the nation. Poland welcomes these children, as the guarantee of her future existence; so there is no question of applying the first remedy which comes to mind, that of restricting the crop. Besides, the nation is solidly and devoutly Catholic.

Nor, in spite of the frequent complaints you will hear about the bars which have been raised against immigration on all sides, does Poland really want to see her young folk leave the country (although I must say that many eager young faces glowed when I mentioned "Canada," synonymous to them with the greatest unfilled space left in the world); but she wouldn't mind having a colony of her own for them to go to. There is practically no room for them at present in business or the professions, in which the country's 3½ million Jews are concentrated; and no prospect of an early or easy adjustment of this abnormal situation, with which Poles are thoroughly dissatisfied while, with the exception of a few extremists, rejecting any violent solution.

That leaves industrialization as the answer, an answer which is the more readily accepted because it promises to accomplish many things at the same time: absorb the farmer's younger sons, raise the general standard of living of the country, and strengthen the nation's independence. The Poles, inclined to over-rate their strength and practical ability, can even envision the big new scheme of industrialization launched two years ago under the magic letters "C. O. P.," or Central Industrial Region, as raising them rapidly to the level of a Great Power. The Central Industrial Region is a rough tri-

angle, its apex at the junction of the Vistula and San Rivers, its base in the foothills of the Carpathians. It is well away from the German cannon and bombers which hold the closely-built industrial region of Upper Silesia hostage. It is handy to both water and natural gas power supply. It is centrally located to serve the inland market. And with the regulation of the Vistula it will be provided with cheap water transport to the sea. The State is planning and controlling the whole development, improving the roads, and laying in both electricity and natural gas supply. The former is now piped throughout the area, and development of electric power is proceeding apace. Among other works, a French company is building a hydro-electric and a natural gas power generation plant at the present time. It is hoped that within two years these will be joined up with the coal-burn-

ing electrical plants at Warsaw and other centers by a power "grid" serving the whole region.

First to be established in the area have been the country's most vital munitions industries. Some of these are new, but most have simply been moved from Upper Silesia. It is claimed that enough foundries, metal-working and chemical factories are now set up to go a long way towards supplying the Polish forces in wartime—if the raw materials can be obtained, and that is the main Polish hope of the negotiations now proceeding between Britain and Russia. The exceptional facilities being created and tax exemptions offered are also attracting many private industries to the region; and this despite the fact that they have very little to say about designing, locating or building their plant, which must conform to General Staff specifications. Two new auto fac-

↑ THE PICTURES ↑

THE POLAND OF TODAY works without cessation to build up both its material and moral resources against the threat of its powerful neighbor. LEFT, a typical street in new, raw, Gdynia, the huge port from which sails the growing Polish merchant marine and through which enters the raw material so urgently needed to strengthen national defence. RIGHT, the Poles show the new generation what they have accomplished. Excursions of school children from up-country swarm through the harbor of Gdynia at almost every hour of the day. These photographs were taken by Willson Woodside, SATURDAY NIGHT'S correspondent on the spot.

FROM WEEK TO WEEK

Wealth Can Save Liberty

BY B. K. SANDWELL

WE ARE well aware that, in these socialistic days, it is unfashionable to say a good word for wealth; and we are still more aware that there are not many good words that can be truthfully said for wealth on this North American continent and during the last fifty years. Its owners, to a far too great extent, have thought it easier and wiser to hire people—newspapers, preachers, and university professors—to say good words for wealth which it did not deserve, than to deserve good words which might possibly have been left unsaid.

Nevertheless, wealth has its uses; and we propose to draw attention to one of them which is very greatly needed at the present time. Unfortunately, it is a use, the service of which requires not only wealth, but also courage and wisdom and public spirit; and wealth in Canada in the last few years has shown no more wisdom and public spirit than usual, and about as much courage as a rabbit which has just been barely missed by a hunter.

Every now and again the preservation of liberty, against the growth of irresponsible power in the government (of whatever kind it may be), requires the services of a rich man, or a group of rich men, sufficiently in earnest about liberty to defend it with their fortunes, instead of paying a species of Danegeld to governments to purchase for themselves alone a little exemption from tyranny. Such a time occurred when John Pym fought the demand of Charles the First for a levy which had not been authorized by Parliament. Such a time is again with us in Ontario, and there is urgent need for men with Pym's wealth and Pym's courage to resist a levy which, while not literally unauthorized by the Legislature, is enacted in such terms, and applied in such a way, as to be not a general tax, certain and calculable, but an arbitrary exaction applied at the whim of the Provincial Treasurer and exempt from all examination and revision by the courts. (Nor is the Ontario Succession Duty Act of 1937 the only example in Canada of a trend towards arbitrary exactions by the officers of the government, which may eventually place the fortunes and livelihood of every citizen as much at the mercy of those in power as they are in Germany.)

Task for Mr. McCullagh

The *Toronto Globe and Mail*, which is the property of a young, wealthy, and unquestionably courageous citizen, has in recent issues given evidence of a dawning realization of the goal to which arbitrary government action unregulated by the courts is bound to carry us. If Mr. C. George McCullagh has the necessary wisdom—we think that he has the public spirit—he may be instrumental in checking a tendency which is full of the gravest threats to the general liberty. He has already taken up the cudgels against another threat to liberty, in the shape of the demand of the C.B.C. for absolute power over the dissemination of opinion by means of radio; and he knows that the defence of liberty does not make the defender popular with those in power. But that merely means that the defence of liberty can only be undertaken effectively by persons who have money, courage, ability and character.

Mr. McCullagh has been given a lead. There is among the wealthy residents of Ontario against whom the 1937 Succession Duty Act is aimed at least one person with money, courage, ability and character. Mr. A. R. Kaufman, a well known and public-spirited industrialist of Kitchener, has had the courage and the resourcefulness to resist the demands to which the great majority of his fellow rich men have inertly succumbed; and he has secured an injunction preventing the Provincial Treasurer of Ontario from violating the secrecy of the Federal

Income Tax records. The Provincial Treasurer has replied by intimating that he will probably summon a special session of the Legislature to give him whatever powers the courts have found that he may possibly lack, and has made it clear that nothing but the constitutional limits of the legislative power of the Province will stop him. With the assistance of Mr. McCullagh and his newspaper, it may be possible to make the people of Ontario understand what is really at stake in this business. Without that assistance we imagine that the Provincial Treasurer will be able to make his Legislature do whatever he wants it to do, as he has usually done in the past four years.

Nothing "Fraudulent"

The Provincial Treasurer makes very vigorous play with the assertion that all he wants to do is to correct and punish the "fraudulent" settlements of Succession Duty effected by his predecessors—of the Conservative party, the Farmers' party, and his own party. This is an outrageous misuse of the term "fraudulent." In all the revisions of settlements which have been effected by the present Provincial Treasurer, not a single charge of fraud has been laid, and not a single prosecution has been instigated in the courts. Fraud is a crime, and is punishable as such; but in order to exact the punishment you must prove the crime in a court presided over by an independent judiciary. The Ontario Legislature has preferred (following the example, we regret to say, of the Dominion Parliament in its Income Tax Act) to establish a "penalty"—not a punishment—for what it terms non-disclosure, not fraud.

The vast majority of these cases of non-disclosure are simply the results of the application in past years of an entirely different—and admittedly much more easy-going—interpretation of what constitutes a "gift inter vivos" and thus becomes in effect a disposal of part of the estate before death. That the Legislature even today does not regard as criminal or even immoral the practice of giving away part of one's estate to one's children in one's life in order to avoid paying succession duty on it at one's death is shown by the fact that it has enacted, for application to future estates, a clause exempting such gifts if made ten years before death. That there was no such clause in the old Act was due to the fact that nobody—testators, heirs, Succession Duty officials—dreamed of regarding a gift made many years before death as being an attempt to evade duty, and as something which must be reported and duty paid upon it.

Taking advantage of the most extreme interpretation of the somewhat laxly drawn statute of his predecessors, the Provincial Treasurer is now applying to past estates a principle which he has expressly disavowed for future estates, and is demanding (by means of an enactment which in effect declares all the settlements made by all past Provincial Treasurers back to 1897 to be invalid) the payment of full taxes and of a terrific penalty on gifts, many of which would not be taxable under his own legislation if they were made today. In the Legislature—but not in the courts—he is declaring these past settlements to be fraudulent, and is thus blackening the characters of a host of testators, heirs, trustees, lawyers and government officials who participated in the making of them. If they were fraudulent, and were capable of being proved so in the courts, there is not an honest citizen of Ontario who would not say go to it, punish the frauds and collect what the province was defrauded of. But the courts have been silenced—until Mr. Justice Rose gave his injunction; and the Legislature is to be called upon to make even that injunction void and of no effect.

tories, one being built by the French Renault concern and the other by a consortium representing the entire German automobile industry (the Italian Fiat is already being built in Poland under licence) are expected to open this Fall. At first they will merely assemble foreign-made parts, but they are to produce 16 per cent of their parts in Poland by the end of the second year, and a further 16 per cent each year until the cars are wholly Polish-made. They ought to find a good market—outside of the military—as there is only one car to every 1000 Poles at present.

If they have any sort of a chance I believe the Poles will make quite a fair job of their industrialization program. They are not as good technologists as the Germans or the Czechs, but are better organizers than the Russians and have a big asset in their vitality. They badly lack specialists in every field, however, and the exuberant nationalism which prevents them from helping out visitors with even a few signs in one of the universal languages in their post offices and railway stations keeps them from admitting it and bringing in foreign tutors. And with a war hanging over the country almost from day to day, foreign capital cannot be expected to rush in, nor is it doing so.

Still, as I said in earlier letters, the Poles are not the least bit nervous or frightened. There are even a good many who feel like the gentleman, possibly the most influential journalist in the country, who told me yesterday: "This is an historic opportunity for us. For once we are not threatened from both sides. Russia has troubles of her own at home and will be occupied with Japan in the Far East for many years to come. She needs peace with Poland, and she will be content to let us fight her battle against Germany. Just at this moment Germany wants to force a war on us. Very well, we always expected it; we are ready. We'll settle with her, and we'll settle well." But I must emphasize that I have met no Pole who showed any desire to start that war. They believe too firmly that time is on their side.



FIFTY-SEVEN YEARS AGO, J. A. O'Malley crossed the prairies by ox-cart. It took him arduous weeks. He made the same journey the other day in a few hours. Now 82 years of age, he is the oldest passenger yet to fly on Trans-Canada Air Lines. Stewardess Lela Finlay said she found none of her passengers keener. Mr. O'Malley is a veteran of the Riel Rebellion and a pioneer of northern mineral fields.

—Photo courtesy T.C.A.



YOUNG CANADA LOOKS ON by means of a periscope during the visit of Their Majesties to Ottawa where the crowds were particularly heavy.

—Photograph by M. Malak, Ottawa.

What Kind of a Peace Do We Want?

By F. R. SCOTT

EVERYONE is preparing for war. Armaments are piling up, economic systems are being made over for military purposes, foodstuffs are being stored away in quantity. Plans are ready for the evacuation of whole cities. Everywhere a feverish preparation for human slaughter—and not a word about the terms of peace.

Wars arise from various causes, but they end in peace treaties. European history is strewn with the results of forceful change written into peace treaties. Westphalia, Utrecht, Paris, Vienna, Versailles . . . each represents a new start in Europe, based on a new equilibrium of forces. The durability of the peace which followed every treaty was dependent on the wisdom or the folly of the treaty-makers.

If war comes again in Europe, Canadians will be expected to join in with the democracies. They will be asked to fight—for what? Some say for democracy, some say for the British Commonwealth, some say for civilization. But whatever be the motive of their endeavor, ultimately they will get a peace treaty. No more democracy or civilization will emerge from the conflict than is represented in the terms of that treaty. The noblest aspirations of millions of dying soldiers can be nullified by the stroke of a peace-treaty pen.

Need Open Diplomacy

In the last war, the British government had made secret commitments with allies the terms of which were not known to the Tommies dying for democracy in the trenches. These secret treaties bedeviled the whole Versailles settlement. Hence the demand for "open diplomacy", the value of which will have to be learned all over again.

Today, before another war has begun but when all are preparing for it, today is the time to take stock of our position and to define our war aims. If a fraction of the energy devoted to military preparedness were spent on clarifying the issues of the war and on discovering a permanent basis for a new peace, the national effort would be infinitely more useful to humanity. To leave such thinking till the last days of the war is to invite hatred, revenge and passion to the drafting of the treaty.

Now the war which Canadians are contemplating is a European war. It will start between European nations for reasons which are primarily European. It is to provide a stable solution of the problems which gave rise to it, it must result in something more than a dictated power-politics peace. No such

RISE, BRITANNIA

BRITANNIA! Dost thou not feel
This newly awakened tide of love and noble pride
That mounting, swelling, surges now within the souls
Of thy true sons and daughters everywhere, as once
Again they see thee girding on the might that checks
The march of tyrannies?

A thousand errors, sins
And follies we could lovingly forgive thee;
But not the shoddy sin of impotence, when truth
And liberty and all that men hold high
Stand threatened so by vaunting pomp and pseudo-might
And, trusting, look to thee and nations strong like thee
For succor and defence.

When thou wert but a child
Proud Rome could not enslave thee; nor shall she now.
Arise, put on thy strength, thou stalwart of the ages;
And, if thou needs must strike, strike hard the foes
Of freedom and of faith; strike home. Be strong.
Britannia, strong and of good courage; and,
In God's name, be true.

Wolfram, Moss. OSBERT W. WARMINGHAM.

peace will do more than create another armed armistice such as we have experienced since 1919. It must lay the basis for the future peaceful settlement of European disputes. It must end in some form of League of Nations or Pan-European Union.

Is it likely that Canada, a minor North-American power, can help in the achievement of this result? Will she be able to write a peace treaty for a continent of 500,000,000? Or will she wait to hear the results of her war effort, as she waited for the results of Munich?

No Constructive Plan

The Canadian government has not said what sort of settlement it favors. It has no policy with regard to the colonial question, no policy on disarmament, no plan for a new League, no offer of access to raw materials. It is preparing for destruction, but not for construction. It is expecting the Canadian people to make another blind sacrifice, another supreme act of faith in the eventual wisdom of European peace-makers.

This situation might be tolerable, if in Europe itself we saw some sign of a constructive policy. But where is it? Not in the British Government, certainly. Will the British Conservative Party suddenly be converted again to a genuine League policy? Will they attempt to re-create the instrument they failed to maintain? Would they make the necessary sacrifice of England's national sovereignty for a new European order? No one in his senses can believe that Mr. Chamberlain, Sir Samuel Hoare, Sir John Simon, or the other dominant personalities in and near the government, will completely change their established characters. Such men will deal, as they have always dealt, with European problems in terms of diplomatic manoeuvres, temporary arrangements, gentlemen's agreements, and military alliances. They still believe in the Concert of Europe—a continuous poker-game periodically interrupted by bloodshed. Any idea of a super-state is to them utterly abhorrent.

A Racial Alliance

As of England today, so of France and Poland. We are waiting for something more than a "what we have we'll hold" policy from them. If Italy should become detached from the Axis alliance she would be equally in the power-politics game. Russia is an unpredictable quantity, but after the cold-shouldering she received when she was offering general disarmament and collective security, it is hardly likely that she will try that policy again. We may scan the European horizon in vain for leadership and vision, for something more than a scurry for cover. Sir



"IF THE BRITISH DON'T, MAYBE WE WILL"

Arthur Salter has attempted a solution in his recent book, "Security, Can We Retrieve It?" But his is not an official voice. Clarence Streit's "Union Now" sets forth a bold plan for a World Federation of States, which sets the idealists talking and leaves the cabinets cold. It seems that another generation of Europeans will have to pass through the fire before the lessons of the last war are rediscovered. Power politics based on independent national sovereignties are as accepted and unchallenged today as in 1914, amongst all European major powers.

There is no point in Canadians waxing morally indignant over this situation. Seeing we have refused to join the only regional League of Nations in our own hemisphere—the Pan-American Union—and seeing we have refused to assert our independence of policy from a military alliance based on race—the British Empire—we are certainly in no position to point a finger. But equally there is no excuse for our fooling ourselves. If we go into the expected war we shall not be fighting for a new world order. None of our leaders will be aiming at it. We shall not be fighting for a permanent solution of European problems. Neither of the two great European Alliances has put forward any such plan. We shall simply be joining for racial and sentimental reasons in one more battle for a temporary domination of continental Europe. Morally we shall be on exactly the same footing as the Germans and Italians who will flock to Europe from overseas for identical reasons.

World Government

Democracy implies a government based on consent and equality of rights. There can be no democracy in world affairs until there is world government based on these principles. No one is fighting for international democracy unless he is fighting for some form of world government. The most vocal imperialists in Canada have always opposed the surrender of Canadian or British interests to the needs of the League of Nations.

Because of the weakness of the moral case for joining in another European war, Canadian war-mongers have fallen back on a last line of defence. Canada must fight in Europe, they say, to defend herself. If the Axis powers win the war, Canada will be the next to fall. The Canadian frontier is on the Rhine—or is it the Euphrates?

This is a weighty argument, if true. Let us examine it.

Note first that it postpones the invasion of Canada until after the next world war. This puts it a tidy way off. The war must start, be fought to a finish, peace must be made, the war-weary German people (surely the Italians do not intend to annex the Laurentians!) must be got ready for a second major offensive across the Atlantic. By that time anything may have happened; the German government may

have changed. Fascism may prefer to spread south and east. Clearing up the wreck of Europe will take half a generation. Most likely of all, Russia will sit on the side-lines until she can walk in, like the U.S.A. in 1917, and direct the peace-making amongst exhausted powers.

American Protection

But let us grant the case. Germany wins the war. She contemplates invading Canada. One small detail remains to be disposed of: the United States of America. Merely another 140,000,000 people, more powerful than Britain and France together. To hear some of our military experts talk, one would think this was nothing at all. A mere trifle to a Germany which has just used up all her reserves defeating 85,000,000 British and French!

The idea is preposterous, granting even the most favorable circumstances to Germany. Actually, a war of Britain and France versus Germany and Italy would most likely be long drawn out and end in stalemate or general revolution. If Russia were in from the start against Germany, the latter will almost certainly be defeated. Europe can handle the Fascist threat herself. The greatest danger of aggression to Canada, as the Abbé Groulx has said, is from the imperialists in her midst.

Note another interesting point about this argument. It entirely leaves Asia out of the picture. Japan is doing in Asia exactly what it is said that Germany might do in Europe. Why do not all the same arguments apply? Why is Canada not in danger of invasion if Japan wins? Why is Canada's frontier not on the Yangtze? Why do not our military experts urge us to intervene in Asia? Why does the Canadian government permit Japan to arm herself with Canadian exports?

London or Nanking?

The only difference between the two situations is a difference of race. There is no Canadian difference. No greater national interest is at stake in one of these continents rather than another, such as to justify isolation in one instance and military intervention in the other. The bombing of London may hurt our feelings more than the bombing of Nanking, but it does not threaten our security any more. And for anyone who has risen in his thinking above the primitive pull of race, it will not even cause more pain. At least in London will be some people who brought the holocaust upon their own heads.

Canadian foreign policy should be soundly based upon two main principles. One is the defence of Canadian territory from invasion. The other is the creation of a new world order, a real League that will supersede our petty national sovereignties. Neither of these principles will be at stake if war breaks out in Europe.

The Front Page

(Continued from Page One)

King or of Mr. Herridge, he would, if Mr. Hepburn and Mr. Colin Campbell had any say in his decision, turn to the father of the New Democracy rather than to the grandson of the old one. And a Manion-Stevens-Herridge-Hepburn-Aberhart-Duplessis government at Ottawa has possibilities which the *Gazette* has perhaps sized up more accurately than the *Globe* and *Mail*.

Conservatives in the province of Ontario are in the deepest darkness of all. If they pile up a large vote for Dr. Manion's candidates in their fair province, they will simply be enhancing the prestige of Mr. Hepburn, while if they don't they will be incurring a great loss of prestige for Dr. Manion. Some of them might even prefer the second alternative to the first, and find themselves reluctantly voting for "King" candidates as against "Hepburn" ones. After all, in a personality election it is naturally the more colorful personality that influences the vote, whether for or against.

On Doing Nothing

THE campaign against Mr. King is apparently to be conducted upon the charge that he has done nothing. It is a high-sounding charge, and is not without its foundation of truth; but if it has to undergo the scrutiny and criticism of a prolonged campaign it may be found that it is not quite so serious, nor so effective with the electors, as its proponents hope. In some few respects we have to admit that Mr. King's do-nothing policy has been inexcusable; chiefly so in regard to that small but important proportion of the unemployed for whom it is impossible to get any local authority to accept responsibility. We have protested on that score ourselves time and again, but we cannot induce Mr. King or Mr. Rogers to abandon their position, that relief payments by the Dominion must be made through a local authority which is itself contributing, and that

the Dominion must not be asked to set up any organization of its own even to deal with persons who have no possible shadow of claim against any local authority whatever.

But it is a very open question whether, in the main, Mr. King's do-nothing-ism has in other respects been very detrimental to the national economy. He has abstained from worrying the business men of the Dominion with novel and fancy taxes, regulations, insurance funds and labor legislation. On the whole he has pursued exactly the opposite course to that of Mr. Roosevelt, who has waded into everything that offered itself as capable of being waded into, and has completely failed to bring about anything in the least resembling a business recovery in spite of the enormous additions that he has made to the American national debt.

Mr. King's predecessor "did" a great deal; but a large part of what he did wrecked his party in the doing of it and is now a dead letter on the statute-book because he did it without regard to the limitations of the constitution. Mr. King's alternative, Dr. Manion, is by inference held up for admiration as a man who will do things; but on one of the things that most need to be done, the cutting down of the national losses on the railways, Dr. Manion is committed to exactly the same do-nothing policy as the present Prime Minister, and as to the other items upon which he may be expected to do things we have very little intimation of what they are. If he has to form a government with the aid of Mr. Herridge or Mr. Aberhart or Mr. Hepburn or Mr. Duplessis we may of course expect to see a lot of things done; but whether they will be the kind of things that the intelligent elector with a stake in the country (an old-fashioned phrase, we know, but we still like it) will approve of is quite another question.

Slogans occasionally work in a direction the opposite of that which their inventors intended. In a period when the average government is inclined to do far too much, the cry that Mr. King did too little might turn into a compliment rather than an attack.

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WEEK IN CANADA

Departed:

HIS EXCELLENCY MOST REVEREND ILDEBRANDO ANTONIUTTI, apostolic delegate to Canada, from Ottawa by plane for a 2-month inspection tour of the Oblate missions in northern Canada.



First apostolic delegate to visit the northern missions, and first representative of the Pope in Canada to travel by plane. Mgr. Antoniutti has long been an enthusiastic air traveller; he toured China, Albania and Spain by plane before coming to Canada. While here he will use the airplane owned by Bishop Breynat, O.M.I., apostolic vicar of the Mackenzie district, and will cover thousands of miles visiting all the important missions of the vicariates of Mackenzie, Yukon, Keewatin, Grouard and Hudson Bay. Mgr. Antoniutti left Ottawa alone but will be accompanied on his inspection tour by the apostolic vicars of the various vicariates.

Home Again:

ROBERT L. MUSK of Ottawa, Ont., after finishing a 50,000-mile jaunt through 36 countries. Two years ago, Musk, who is 21 years old, completed high school. Desiring to see the world at close range, he worked his way across the Atlantic, toured Europe and the Mediterranean, then ambled southward to Cape Town. From Africa he crossed to Asia, hiked through Persia, Tibet, and Burma before making his way back to Canada. He arrived in Vancouver aboard the Japanese motorship *Ben Maru*. Most thrilling part of his journey: the trek from Cairo to Cape Town, a distance of 8,000 miles, which he covered in 9 months. Most touted accomplishment: the fact that he is the only person to have travelled alone through Central Africa from Cairo to Cape Town. Most unpleasant incident: Being seized by Italian authorities at Naples and held for 2 days.



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Buffaloed:

By "SKIPPY," a 7-months-old wire-haired fox terrier, a 290-pound bear, at Cordova Mines, 40 miles east of



Peterboro, Ont. Joseph Snider was working in his garden at the edge of a clearing. Nearby, his 2 daughters, Mary, age 4, and Ena, age 2, played with "Skippy." Despite his nearness to the children, Snider paid little heed to the dog's continuous yapping. But Mrs. Snider, coming out of the house, saw the bear which stood eyeing the 2 children. She screamed. Her husband came running and hustled the children into the house while "Skippy" who had apparently been unwilling to leave the children, scurried about and kept the bear's attention diverted. Rushing into the house, Snider grabbed his gun, dis-

patched Bruin with 2 shots. Awesomely measuring the carcass, Snider declared it to be the biggest bear he had ever seen.

Performed:

By 70-year-old Mrs. M. MEALINGS of Vancouver, B.C., the neatest feat of the week. One night last week Mrs. Mealings locked herself in her bedroom and then misplaced the key. For the life of her, she couldn't find it. But that didn't stump her. She improvised a rope from sheets, tied it to the bed, and began a one-storey descent out of the window. But when the spy Mrs. Mealings came to the end of the bedsheet rope, she found her feet dangling 6 feet above the roof of her veranda. Unable to climb back up she dangled briefly like a disabled yo-yo, and was finally forced to drop. She suffered minor injuries.

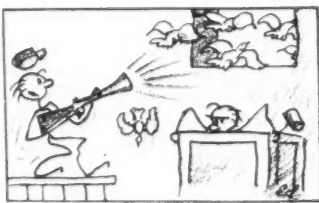
Announced:

By TONY GALENTO, contender for the heavyweight boxing championship of the world who was knocked out by Champion Joe Louis two weeks ago, that he is "going on the wagon." In Toronto last week to fulfill a refereeing engagement at the Maple Leaf Gardens, Galento was interviewed by Ralph Allen, crack reporter for the *Toronto Globe and Mail*. Said Tony: "....a doctor tells me I drink so much beer I'm three-quarters water. Well, that's why I cut so easy. And when they cut me up I can't see so good. So before my next fight I'm layin' off the suds." Fragments of the interview as reported by Allen: Prompted by his guardian and spiritual adviser (Manager Joe Jacobs) Tony handled a series of questions on broader affairs with characteristic savoir faire. "Which plays the most important part in pugilistics, intellect or physique?" Tony's reply was a model of incisive clarity. "Hey Joe!" he answered. "He means," Jacobs interpreted, "Is brains better than muscle?" "Oh," Tony grinned easily and made a deprecating wave. "I was always a pretty good thinker." "Have you any inclination toward the religious side of life?" "What's he givin' me, what's he givin' me?" Tony whispered in a booming sotto. "Do you go to church?" Jacobs prompted. "Oh, sure. Oh, sure. I go to all the benefits. Catholic, Jewish, Protestant—it don't matter." "Someone even mentioned poetry." Tony smiled soulfully. "You bet," he sighed ecstatically. "Poultry, I'm gonna buy a farm myself some day."

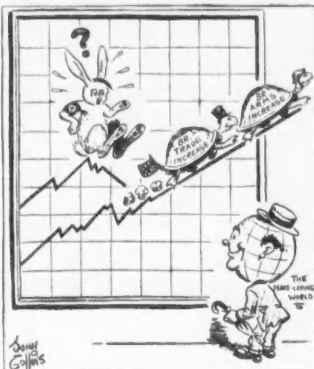


Shooed:

By HAMILTON KEELER, caretaker of the Frontenac County Court House, 6 pigeons. It was a hot and humid day and the windows of the court house were open. Into the room flew 6 pigeons as court was about to start. Despite the best efforts of court attendants, the birds refused to leave. While it was still undecided whether they were doves of peace or birds of ill-omen, Hamilton went and got his gun, a .22 calibre rifle. His first shot stunned one pigeon. The rest flew out. This is believed to be the first time in the history of the Court House at Kingston, Ont.,



that it has been found necessary to resort to firearms to clear a courtroom.



CARTOON OF THE WEEK: John Collins in the *Montreal Gazette* likens the arms-trade race between Great Britain and Germany to "The Hare and the Tortoise".

Copped:

By ROBERT JAITE, 79-year-old Ohioan, the Prince Edward Yacht Club Memorial trophy at the annual regatta held at Picton, Ont. In his 225 class boat, the *Apache II*, which is just one class below Harmsworth trophy boats, Jaite compiled 1,000 points in 3 heats out of a possible 1,200. Said he, as he drove his craft over to collect the gold trophy: "I've just done this to show you that a man is not ready for the shelf when he gets on in years. If you want to stay young, just keep away from old fellows. Every time I drive this craft, my wife hangs out crepe, and now I want to show her that I am still alive." Second in the race was 63-year-old Jack Cooper who set a new Canadian record of 81 m.p.h. in his class. His attempt at a world's record was short by 3 m.p.h.



Celebrated:

By Rt. Hon. R. B. BENNETT, former Prime Minister of Canada, his 69th birthday. At the present time Mr. Bennett is engaged in redecorating and furnishing the great rectangular brick house on his Juniper Hill estate, near Mickleham, Surrey, Eng., in which he hopes to take up residence before the end of July. Healthy—and happy-looking, Mr. Bennett is in demand in England as a speaker, and usually devotes his addresses to his ideal of closer Empire co-operation. Never communicative about his personal affairs, he keeps London gossip writers and Canadian newspapermen guessing as to his intentions of accepting a peerage and a seat in the House of Lords; of contesting a House of Commons seat; of marrying. Recently when he was showing a visitor over his house, he paused opposite a door, nodded at it with a grin, and said: "That's Lady Bennett's room." "And who," asked the visitor, "Will be Lady Bennett?" "That I cannot say," replied the ex-Prime Minister. "We have not met yet."



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Canada's Scouts Have Problems

BY S. R. A. ROBERTS

THE recently issued annual report of the Boy Scouts Association is a strange combination of tales of heroism, a story of devotion on the part of thousands of adults to a cause, and a record of success and progress. Yet withal, the report seems blissfully to ignore some, at least, of the implications of the statistical section with which it concludes.

Even a cursory glance at the statistics of scouting brings up questions which the report itself seems largely to ignore, and certainly does not even try to answer. Why, for example, is there such a notable lack of interest in scouting amongst older boys? Why is membership in the Cubs increasing out of all proportion to membership in the Scouts? And finally, why do the older Canadian boys take virtually no interest in the Rovers, the elder brethren of the Scout Movement?

Such questions are speculative, not critical, for who could be critical of an organization in which 8,000 Canadian men devote from two to five nights weekly all year round to training boys to become, not merely good citizens, but superior citizens? Out of their own pockets these men spend at least \$500,000 annually providing extra equipment for their troops; and they also spend as much again on their own uniforms and camp equipment. They come from all walks of life and from all social castes. I know one who is a trainman, another a lawyer, and a third a plumber. I know a leading banker, namely Jackson Dodds, who is a good enough scout both to have written, and to have taken the time to write, one of the best books on Canadian scouting.

Much Gallantry

There can be no guesswork about the fruits of their labors. They are set down in black and white each year in the annual report of the Association. One of the 1938 fruits was the award of a cross for gallantry to a Syrian scout, aged 15, in Saint John, N.B., for rescuing a boy from drowning. In all last year, 15 such crosses for gallantry were awarded for services which included many rescues from drowning and the courageous evacuation of 200 children from a smoke-filled theatre in which a fire had broken out.

In addition last year, another 19 scouts were awarded medals, certificates of merit, and letters of commendation for courageous or resourceful actions of one kind or another. As with the awards for gallantry, each of these actions is covered with a dry line of type. But behind each line there is a story. For instance, the report notes that ten-year-old Frank Allwell of New Toronto showed "his presence of mind and courage in stopping a runaway horse." It would be edifying to learn more of the facts when a ninety-pound youngster stops a thousand pounds of horseflesh tearing along at thirty miles an hour.

But to return to our statistical mutations, or rather to those questions which the published figures on scouting appear to propound. The annual report shows that the movement comprises 95,327 boys and their leaders. This figure does not include the many thousands of adults who have a direct interest in scouting through their membership in various boards and committees. The boys themselves are divided into the following groups:

Cubs, 8 to 11½ years	37,307
Scouts, 11½ to 17 years	47,652
Rovers, 17 years and up	2,927

87,886

Put on a percentage basis, the foregoing figures are as follows:

Cubs	42.5%
Scouts	54.2%
Rovers	3.3%
	100.0%

What of Older Boys?

The significant point of these figures is that scouting has more appeal for children than for boys. Judging from the relatively few Rovers, it is obvious that the movement has not yet been able to devise a program to attract a proportionate share of the older boys. Witness also the large number of Cubs amongst the total membership. This proportion is more striking than it appears, for a boy can be a Cub but for four years, as against a possible six years as a scout. Moreover, it is readily admitted by all scout leaders that scout troops do not attract the 15-, 16- and 17-year-old. There is further emphasis given to this point of view because scouting had a start of a decade on cubbing. The whole trend of the Boy Scout Movement seems to be toward children rather than towards adolescents.

In 1938, the number of Cubs increased by 12.6 per cent, whereas the number of scouts jumped only by 9.3 per cent. And over a number of years the trend has been the same. While the actual growth has been gratifying, nevertheless the figures do indicate that ten years hence the needs of Cubs will become the basic concern of the movement rather than as at present the needs of the 14 to 16-year-old.

This trend is not yet recognized as fully as it might be throughout the movement. In itself it is obviously neither good nor bad. Growth of any kind in any direction carries within itself benefits which cannot be minimized. But it is worth while

speculating just why boys are not turning to scouting in the way that children are turning to cubbing, more especially as a somewhat similar trend seems to be evident amongst the Girl Guides.

Rival Interests

One answer to this situation is, of course, that little boys will join anything any time anywhere, just so long as it gets them out and away from home. Also, they have fewer interests than the 12 to 17-year-old to whom the attractions of scouting must transcend, or at any rate equal, his interest in the girl friend, the movies, the bowling alley and other exciting appeals, be they good or bad.

Nowadays there is a tremendous competition of interests for youth, a competition largely non-existent when Baden-Powell first devised the attractions of scouting; and it most certainly may be questioned whether the attractions of scouting—not only in Canada but throughout the world—have broadened sufficiently to keep pace with the modern tempo in which boys have greater freedom, wider horizons, and larger interests in every direction.

If then scouting is to remain a boys' rather than a children's organization, steps must be taken, and taken promptly, to make it more attractive to the adolescent. And while this is recognized by many men in scouting, it seems perhaps a little strange that the annual report contains no comment on this, one of the major problems facing the movement today.

Not Canadian Enough?

One of the things which keeps Canadian boys from scouting is that to some of them it has a faintly exotic air. This may perhaps be best explained by an analogy. The Boy's Own Paper is a grand sheet, but many of its features lack an appeal to Canadian boys. In short, scouting seems a bit "English" to some boys. The strength of the British Commonwealth lies very largely in its lack of uniformity; and if Canadian scouts had their own uniforms, insignia and customs instead of those imported from the United Kingdom, scouting would gain in prestige amongst Canadian boyhood.

All of which is exemplified in our short pants and bare knees without which no Canadian boy can partici-

pate in the benefits of scouting, although elsewhere this particular voodoo is unobserved. Here in Toronto I have known many boys who under no consideration could be prevailed upon to don shorts. And why should they be forced to? Short pants and bare knees are a "little boy" costume in Canada. It is a nice uniform and I like it, but I see no more reason for forcing it on boys than I can see for forcing bank presidents and judges to appear in grey flannel bags and sports jackets. Shorts look well—but they are impractical both for winter wear and in the bush in summer. Ultimately the uniform will be modified for Canada—whether the Scout organization realizes it yet or not. The movement cannot afford to lose boys over a mere matter of pants.

Other steps on which the Scout Association is no doubt working include the provision of programs providing a larger measure of interest for the older boy. In certain specific directions the U.S. scouts have made greater strides in this regard than we in Canada. Although the movement as a whole in the States is no further ahead than in this country, yet from U.S. scouting Canada can learn much that would key its pro-



THE FAMOUS BARREL which carried their Majesties' mail from mid-ocean now serves to aid the Lord Mayor's Fund in London.

gram more closely with North American habits and the North American way of life.

While other countries have had wonderful success in the development of air scouts, the Canadian movement has not yet been able to do anything to assist Canadian boys to look skyward. In Canada, the Association is,

however, "watching experiments" elsewhere. Air scouting holds peculiar promise for Canada because twenty years ago Canadian youth in France exhibited a great aptitude for the air, and because Canada is especially dependent on air transport.

Older boys would also be attracted (Continued on Next Page)



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ARRIVAL OF THE VETERANS. The first stage of the proceedings at the unveiling of the Ottawa War Memorial, a Competition picture by J. E. Miller, 22 Carlton St., Toronto.

Scouts Have Problems

(Continued from Page 5)

by the formation of more mounted troops and killed troops. But even more would their interest be won by more spectacular and greater exploits in the field of hiking. Few countries can offer the thrill of exploration afforded by our northern

wilds, and the spirit of adventure is not dead in Canadian 16-year-olds. Why should not the Association organize exploratory trips to the mouth of the Mackenzie River, to Moose Factory, or to northern Labrador?

The need for providing such allurement is the more evident the further

one studies the statistics on scouting. My figuring reveals that of all the boys available, the Cubs have presently 7½ per cent, whereas the Scouts get but 6.2 per cent. While these percentages may not be highly accurate, they are comparable, for they have been compiled on the same basis. From them it is apparent that amongst our boy population the Cubs are some 16 per cent more popular than the Scouts. It might be suggested that the Cubs provide an excellent recruiting ground for the Scouts. In a measure this is true, but in my experience less than 50 per cent of Cubs continue through into Scouts. And there is nothing in the annual report to indicate a larger proportion.

Another problem facing the movement is the relatively short period in which boys remain Scouts; the average length of their membership seems to be around 2½ years. This, coupled with the fact that of the boy population only six or seven per cent are members, limits the usefulness of scouting to the individual and to society.

Lack of Man-Power

In other countries the problems of scouting are much the same as here. It can be said broadly that elsewhere the movement attracts no greater a percentage of boys, it lacks interest for many older boys, and it has experienced an increasing interest amongst children. In short, Canadian scouting shapes up well by comparison—but such comparisons are valueless to those who want to broaden the sphere and influence of Canadian scouting.

While Canadian scouting can learn much from other countries, Canadian Scouts have also a contribution to make to world scouting. For instance, the Christmas Good Turn idea was initiated in Canada. It will probably spread throughout the world. For their Christmas good turn last year, our Scouts again organized their huge chain of toy repair shops across the Dominion in which well over 100,000 toys were rehabilitated, painted and placed in working order for needy children. This work began fifteen years ago.

That more of such things have not been accomplished, that the Scout Movement is not serving as wide a field as might be wished, that it faces those problems which have been touched on here—all these things boil down to but a few causes, the chief of which is the need for further competent man-power. It is difficult to obtain sufficient scoutmasters and others who by their leadership might extend scouting into those fields peculiarly attractive to the boy nature.

The lack of additional man-power may be due in part to the fact that the movement has not yet learnt the art of extending sufficient social and other prestige to its active scoutmasters. As far as the public is concerned, militia officers, service club members, and church sidesmen are regarded as performing a valuable national service. But a scoutmaster, Ah! that is a different story. Too often he is looked upon as something of a crank merely because he likes and appreciates what can be done with a boy. Yet most Canadians do vaguely realize the vast national importance of this work with youth. Perhaps all scouting needs is a red-hot, high-powered public relations counsel. But then hotness and high-power are opposed to all that scouting teaches.

There are well over a million boys in Canada of an age to benefit by, and to enjoy, cubbing and scouting. If but 85,000 of them now obtain these benefits, it is partly because there are not enough men of good will who have wished to accept the task, first, of taking advantage of the splendid training offered, and then of serving the youth of Canada.

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I Like Softball

BY BERT BUSHELL



IT PROVED extremely difficult to keep in mind that this was a softball game I was covering and not a beauty contest.

Weldrest v. Lakeshores. (Olympic Ladies International League); and Weldrest v. Orange Crush. (Senior League). A double-header at Toronto's Sunnyside stadium overlooking the lake.

In my ignorance I had visioned softball girls as exclusively the adrenal types—our muscle-bound sisters. What a delightful surprise to find grace and charm on all bases.

Batter up! — the bleachers were packed and the sky clear. A news-

boy shouted his wares, but who wanted to read the news at a ball game!

Pitcher for Lakeshores Intermediate got right down to supplying me with copy. Several people around appeared "down" on her. I didn't understand why, exactly, because I like her. She had pride, and a head on her shoulders. Even after her slow balls managed to climb up over the batter's head time after time, she kept that poise, thin lips tight. The shouting didn't phase her. She took judgment calmly—her own judgment, not the judgment of others—and would try again.

Lakeshores' third baseman stole the intermediate game. Not with hits and runs—but with personality. Here was a kid who could lose a game, and win at the same time. Talk about a livewire...

And if any inning was lost by a player, she didn't forget to lavish a little encouragement when they gathered around the bench.

Such little things as this proved so interesting to watch that I neglected to note the final score.

And then, too, that spieler was determined to block my view with his basket.

"Peanuts!" he asked us throatily. "What's a ball game without peanuts?"

If he had asked "... without peanut vendors?"—I could have answered.

HAD a little trouble for a while.

Had to keep checking with my program to be quite certain several boyish bobs in the outfield didn't really belong to boys, that the newsboy hadn't realized his complete absurdity and slipped into the game.

One in particular added to the zest of the evening, packing more "socko" behind her bat than a good many of the rest put together.

Which, of course, led up to a melo-



dramatic slide for home which knocked the catcher's feet from under her.

The runner was extremely slight. The catcher wasn't!

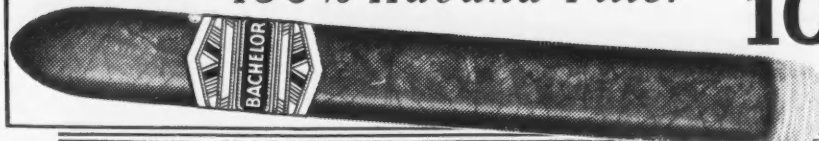
What a beautiful day! Out on the lake a yacht race was in progress. Five billowy sails all in a row. In the west a few dark clouds were holding conference, but they didn't concern us. It was, as stated, a beautiful day!

THERE! the Lakeshore pitcher again, straight, proud and unruffled. It seemed to me as if she were standing in shimmering satin amidst a gathering of aristocrats. That "air" was a part of her, and she couldn't discard it to put on hip-length stockings and corduroy shorts. Her slow balls were still climbing. The batter hit a foul and the ball disappeared.

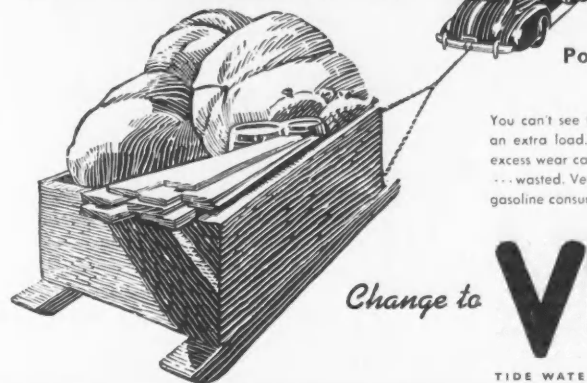
A man and his wife happened to be walking nonchalantly along behind the backstop at the time. The man caught their eyes. Everybody's eyes. He looked about, pleasantly surprised. Evidently they thought him somebody. Mayor or Alderman, or from Hollywood. His face beamed. And then the crowd "oooooed!" That fly ball buried itself a few

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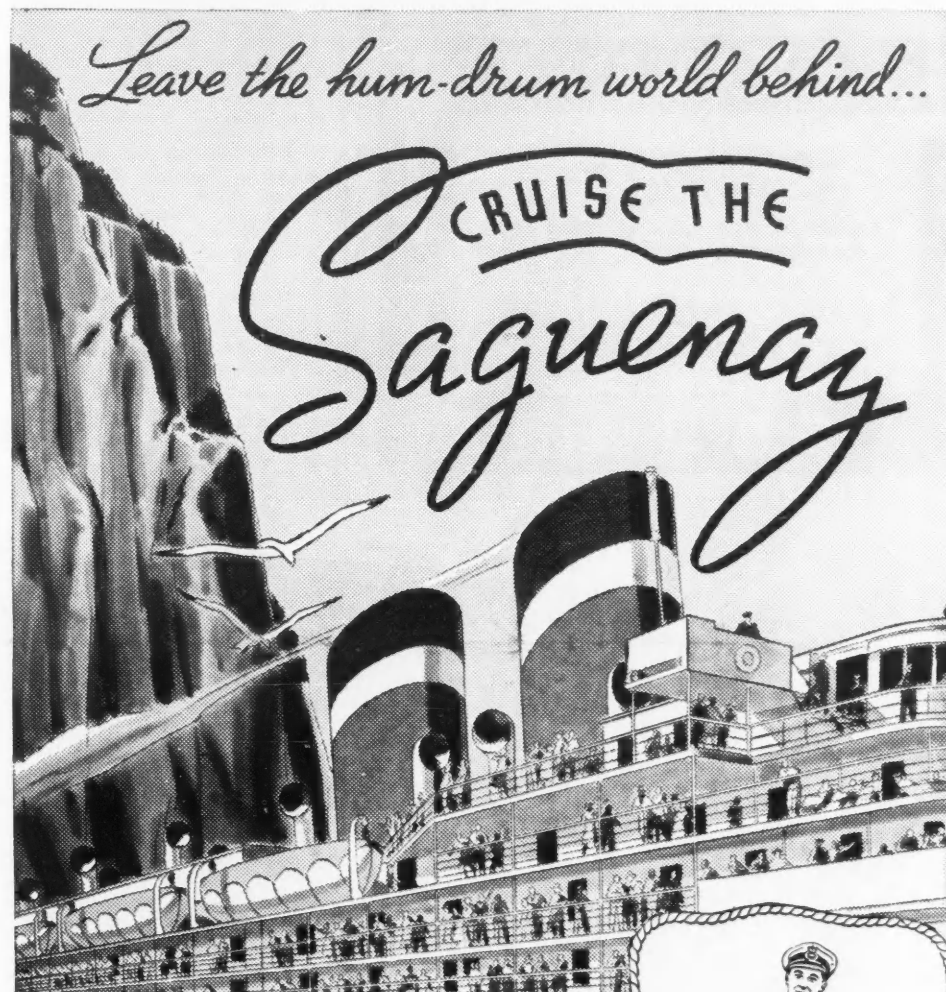
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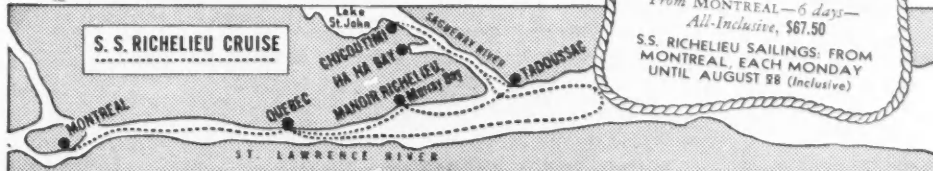
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feet in front of him.

He was badly in need of a face-saver, and nothing offered itself. Not so with the batter. I noticed a bag full of hardwood face-savers propped up against the backstop. Each time a boner brought a boo from the crowd, our batter ran for the bats, selected and weighted another carefully. That laid any blame to the bats. It was all very interesting.

Then the second game teams were on the field. Orange Crush girls looking like Flash Gordon creations in outfits that put the sun to shame. I am sure this is what did it, for

almost immediately the sun hid her face, and a wind sprang into action.

The game was on. Only Weldrest Hosiers girls remained undazzled by the brilliancy of Orange Crushers. As suddenly, the game was off—as far as spectators were concerned.

"What's a ball game without peanuts?"

Indeed, what is one without rain? Hot Toronto rain by the bucketful! The newsboy got in my way as I scrambled with the crowd for the exit.

"Newspapers, newspapers..."

How perfectly absurd!

He jingled a pocket heavy with coin.

"Buy 'em for umbrellas!"



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Thomas Wolfe's Appetite For Life

"The Web and the Rock," by Thomas Wolfe. Musson. \$3.00.

IT IS hard for anyone to read this book without feeling a profound personal regret that Thomas Wolfe is dead. If you ask yourself why you feel such a sense of loss then you begin to get at the source of his power as a writer. Such gusto he had, such passion and a kind of wide-eyed eagerness for everything that touched him at every hour of the day that his work for us became a celebration of life itself: it seemed to be important just to be alive while Wolfe was around writing.

Perhaps this great quality was simply something in Wolfe's heart that was greater even than his achievement as a writer: for this I do know, that you go on reading from page to page even when you are let down, even when you feel he has repeated himself a hundred times and you wish once and for all he would say exactly what he meant. He was like an old-time knight in search of the Holy Grail, only for Wolfe it was the pieces of a magic tapestry that were to be sought, pieces apt to be found hidden on the persons of small boys, or stuck away in garbage pails up some back alley, or held in the hand of some little waitress, or around the neck of some beautiful lady; in short wherever there was any kind of human activity—wherever people loved and felt and thought—there might be found a piece of the pattern, and Wolfe went there eagerly with his hand out and his heart open, examining, probing and celebrating and taking what he found and seeing if it would fit into the pattern of the magic tapestry.

Only so it happened in the search for the pieces of his pattern that might be found in any corner of America or Europe that a strange thing happened to Wolfe, the seeker. In his search he fell in love with every piece of life and every object that he examined: a great nostalgia grew in his heart for the places where he had wandered; it got so that he couldn't reject anything. And when he worked away fiercely assembling the pieces he had

BY MORLEY CALLAGHAN

picked up, there was the bright thread of the magic pattern shining through it all right, but broken and disconnected: the stuff that he couldn't bear to reject was always there to blur it and break the line.

Eugene Gant Again

This sort of search and capture of brief glory and the stretches of failure would have marked Wolfe's work even if he had lived to be a hundred. The trouble was that his voracious appetite for experiencing and remembering was far greater than his sense of discipline as an artist. Maybe he would have wanted to have it this way. In any event in "The Web and the Rock," he is the same Wolfe. After the first two hundred pages his hero, Monk, from the south, not a giant this time, but a middle-sized man with similar characteristics, becomes the old Eugene Gant, whirling around on the rock of Manhattan.

Yet in that first part of the book dealing with life of the boy, Monk, in his native southern town, there are wonderful pieces of writing. Surely Wolfe never wrote better or was more completely successful than in these first two hundred pages. The portraits of the people take on a big, bold, striking line: they loom up powerfully, they quiver with life and they have that largeness and bursting quality that were so dear to Wolfe's soul. There is a stretch of writing about "three o'clock in the afternoon," when a boy is, or ought to be entitled to lie around doing nothing, that is breathtaking; and there is a portrait of a butcher's wife that is simply unforgettable.

But after Monk leaves the town and goes on to college the truly magnificent qualities of penetration in line and feeling fade out for quite a long stretch. Not that the book isn't good in here, but there is no particular revelation that isn't above the capacity of a half a hundred talents actively employed in the same business in our time. And so it goes for quite a stretch into the New York

experiences. Wolfe seems to be much more self-conscious about the people in New York than he was about those on Monk's native heath. But once Monk meets up with the half-Jewess, Esther, a woman years older than he, rich and working as a designer in the theatre, Wolfe seems to dig in again and the book starts to roll and rumble in the true Wolfe tradition.

The character, Esther, with her gray hair and her fineness and her consciousness of her Jewish blood is a very remarkable portrait of a woman. Her love affair with Monk is pretty exciting going. At its best, when it is clear and straightforward, it is full of penetration and insight. At its worst it takes on a kind of imitation Wagnerian sound that isn't very impressive, and it blurs; oh, it blurs again and again simply because Wolfe can't bear to let go, as if he feels that intensity will be lost if he doesn't keep thrusting again and again. Among the greatest admirers of Wolfe, who rank him with the great masters, there seems to be some confusion about what constitutes intensity. To put it in a way that can be seen; did you ever see the late Harry Greb fight? Greb was a great fighter with a windmill attack, his arms pumping all the time, mauling away. But was he more intense in action than a fighter like Kid Chocolate, who moved like a dancer and whose every thrust was beautiful to watch in its deadly precision? No sir, whether in fighting or in writing the man with the sure sharp thrust is the one who is truly intense.

One can go on picking away endlessly at this book saying what is wrong with it, and yet in the end there is nothing to do but feel humble before the inevitable recognition of Wolfe's mysterious power, which is this: he could make you feel like living, he could make you feel like writing, he could make you feel that fashions in literature were unimportant, he could make you like people, he could give you ambition even if you were never sure of the intellectual source that directed his ambition. After all what more can you ask of a writer?



THOMAS WOLFE

Five Books

BY B. K. SANDWELL

M. DUHAMEL is a brilliant psychological French novelist, but his "The White War of 1938" is not a novel. It is a series of very short, but very sincere and earnest, articles addressed to Frenchmen during the period of the successive victories won by Germany by means of threats. Its note is sorrow; "I grieve for my country; I grieve for the whole world. I grieve also for Germany." But there is also a faith in the eternal values, and the ultimate survival of the good. Even if Germany be about to destroy France as Sparta destroyed Athens, truth and beauty will not perish. "I do not despise Sparta; but Sparta is hardly more than a name in history and on the map. Athens, on the contrary, is still one of the high places of the spirit." There must be a good many people in Europe, living less than a hundred miles away from a German aeroplane station, who feel very much like that. (Dent, Toronto, 85 cents.)

M. Duhamel thinks that with the advance of modern science it is no longer possible that the Chinese should absorb the Japanese invasion and still retain their own character. He thinks the Japanese will conquer them and use them as a gigantic army against the white races. Frank Oliver, in "Special Undeclared War," does not share this view; and he has lived in China for many years and was once sentenced to death by a Chinese war lord. He admits that the price which China is paying for its continued resistance is appalling, but he thinks the resistance will be continued, and he doubts whether the conquest will ever be effected. Much depends of course upon what may happen in Europe. A general European war would practically turn China over to the Japanese. The book is extremely interesting and valuable because of its author's intimate knowledge and understanding of Chinese psychology and geography. He believes that the forcing of the Chinese government and a large part of the country's educational and industrial operations into the western interior will have valuable results in the advancement of civilization in that part. (Cape, Toronto, \$3.75.)

Addison Burbank is a well-known American artist, with a neat hand for pen sketching, which has enabled him to decorate "Guatemala Profile" in a very charming manner. He had adequate reasons for visiting Guatemala, in the fact that the Indians of that country still preserve a degree of freedom from clothing which makes them practically perfect as artists' models. If you are thinking of going to Guatemala the book will probably afford you a great deal of useful preliminary information. If you are not, you may find it decidedly long; Mr. Burbank's English is not nearly as economical as his drawing pen. (Longmans, Green, Toronto, \$4.)

Philip Steegman is a young English artist who went in search of subjects to India, about which he is less enthusiastic than Mr. Burbank about Guatemala. He got on very well with most of the natives, but like most artists had little sympathy with the military and administrative cliques. Some of his tales—in "India Ink"—of the prophetic powers of the fakirs are rather staggering. Mr. Steegman writes better and thinks more deeply than Mr. Burbank, but he has not condescended to enliven his pages with any examples of his work as an artist. He appears to feel that Indian art has been ruined by religion, and that the Indian people will not be worthy of independence until they are once more aesthetically creative. (Oxford Press, Toronto, \$3.25.)

A very different matter from these is "North To Adventure" by Sydney R. Montague. Mr. Montague is, or was, one of the members of the Royal Canadian Mounted Police who were assigned the task of preserving law and making surveys in the polar regions of Canada. He had plenty of real adventures, which he narrates in the matter-of-fact manner for which the Mounties are famous. But he also made a very serious study of the psychology and habits of the Eskimo, and his views on the subject of the attempt to introduce European morals into the polar regions are most interesting and suggestive. One of the most deep-rooted convictions of the Eskimo is that he is "born again" as a new creature every time he arises in the morning from his sleep; so that there is no sense of responsibility for what happened the preceding day. This obviously makes the whole concept of sin and its consequences extremely difficult for him to apprehend. An interesting book on a very interesting part of Canada. (McLeod, Toronto, \$2.25.)

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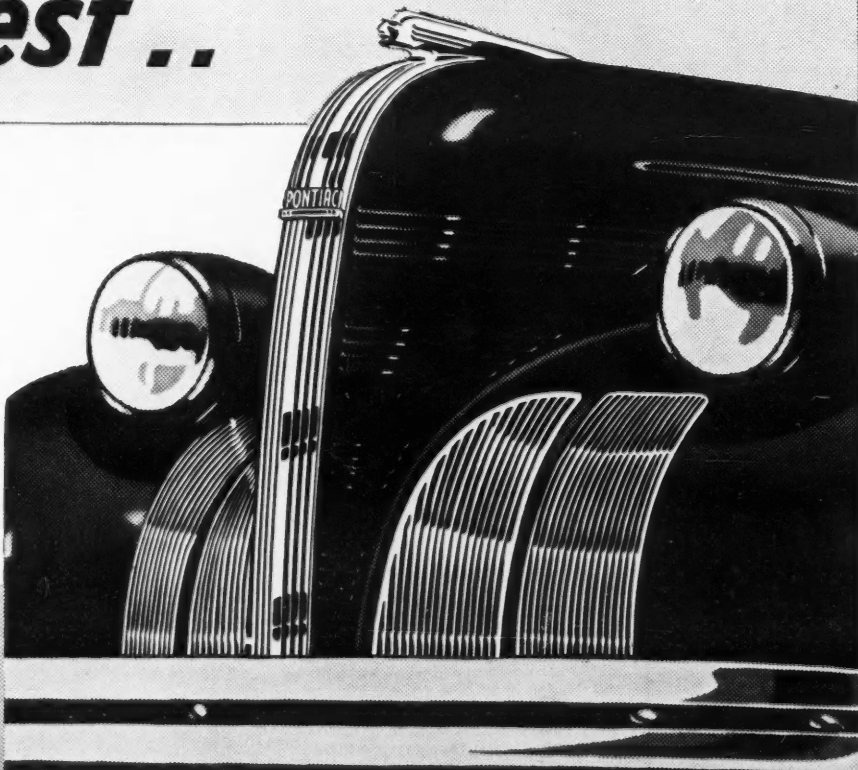
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BY HECTOR CHARLESWORTH

"Henry Grattan and His Times," by Stephen Gwynn. Oxford, \$4.50.

THE only remains of an Irish political leader that lie in Westminster Abbey are those of Henry Grattan, the most stainless patriot in all the troubled history of Ireland. In 1820 they were laid beside those of his old friend and admirer, Charles James Fox—a singular apotheosis for a statesman who forty years previously had first put in concrete form proposals for complete legislative separation between Great Britain and Ireland, and had held steadfastly to his convictions in that respect. The honor was accepted by his relatives in violation of his own wishes, for it had been his desire that his bones should rest in an Irish grave. But it was a fitting tribute to one who was not only a great orator and statesman, but a man who in a period when politics both in Great Britain and Ireland were incredibly corrupt, according to modern standards, was absolutely incorruptible.

With the past year important biographies of later Irish leaders like Daniel O'Connell and John Mitchell have been published, and Mr. Gwynn, a writer of high reputation and distinction, has filled a real want in telling the story of their predecessor in the light of modern events. Access to the private papers of Laurence Parsons, one of Grattan's close associates, and intensive study of the files of that ancient newspaper, *The Freeman's Journal* of Dublin, have enabled Mr. Gwynn to present a graphic picture of conditions at the time when Grattan, as a young man of 29, entered the Irish parliament in 1775. He was a child of the Protestant Ascendancy and a land owner in a small way, and the brilliance of his abilities and the steadfastness of his character speedily made him leader of the patriotic cause; held in honor by Catholics and Protestants alike. There is no space to dwell upon the manifold evils that he fought, but within a very few years he had forced on England abolition of the restrictions on Irish manufacture and trade by which Ireland had been bled white, and restored prosperity to his country.

In the larger field of Irish independence he was less successful, and was clearly ahead of his times. It will surprise many Canadians to learn that in February, 1780, he came forward with proposals for the government of Ireland precisely the same as those under which Canada has been governed since the adoption of the Statute of Westminster—that is to say, complete legislative independence in all matters under the Crown. Thus George the Third would have become King of Ireland under precisely the same system as that under which George the Sixth is King of Canada today. His loyalty to the Crown was never open to question, even in the days when Pitt's Act of Union made tragic wreckage of all his hopes. He sternly opposed all alliances with France, which many Irish leaders advocated, for it must be remembered that during the greater part of his public career France was at war with England. When the revolt of the Thirteen Colonies in America occurred, Grattan, like most Irish leaders, was sympathetic to their cause, but once France became their ally, he was one of those foremost in rushing to the defence of the British Crown. He was bitterly opposed to the Irish rebellion of 1798 and held that Wolfe Tone and Robert Emmett had effected the ruin of their country. For some years after the Union, however, he was an irreconcilable, but in 1805 entered the British House of Commons to plead the cause of Catholic emancipation. For fifteen years he kept up the battle, and actually shortened his life by his exertions. The admiration his talents and character inspired in countless persons not of Irish blood was expressed in Byron's line "Everglorious Grattan! the best of the good," and his statue still dominates College Green, Dublin.

Two Poets

"Pride and Passion," by DeLancey Ferguson. Oxford, \$3.00.
"Matthew Arnold," by Lionel Trilling. McLeod, \$4.00.

BY L. A. MacKAY

ROBERT ARNOLD and Matthew Arnold, except that they were both poets, and that they wrote in dialects of the same tongue, less than a century apart, might be thought to have little or nothing in common. Yet when allowance is made for difference of background, situation, and sex appeal, there remains a common recognition of the vast importance of the French Revolution, and a common conviction of the poet's social responsibility, sufficient to justify inclusion in the shadowy limits of the same review.

Burns himself provided Mr. Ferguson with his title. In a letter to Agnes McLehose he said, "My great constituent elements are *Pride and Passion*." True as this may be of his emotional make-up, Mr. Ferguson makes it clear how large a part in Burns' life was played by the natural shrewdness and practical ability that won the respect of his superiors in the Excise, and by the conscious interest in social and political reform—revolution, even—which, no less than his conversational brilliance, recommended him to many men. Mr. Ferguson, who edited the definitive edition of Burns' Letters, has drawn freely on much important material hitherto unavailable to the general public and has arranged his material

not in the time sequence of ordinary biography, but under broad and general headings that mark the chief interests and relationships of the poet. The result is a much more coherent, interesting and convincing picture of Burns' personality than emerges from the ordinary biography.

The introductory chapter gives a sober but terrible picture of the squalor, the destitution, the oppression of mind and body that weighed on rural Scotland in the time of Burns. Further chapters deal with Burns' education, the men and women who influenced his work, his struggles for a livelihood, his services to Scottish song, and the critical importance of his work in preserving national feeling at a time when the whole trend of fashion among all the "people that mattered" was towards a thorough-going Anglicisation—a trend that disastrously affected Burns himself, and made it impossible for him to use the vernacular simply and naturally, as earlier poets had done. To invent, however as he did, a "synthetic Scots" which could impose itself as a literary dialect at least until Hugh MacDiarmid's present reworking, was a hardly less extraordinary feat than reviving his nation's interest and confidence in its own traditions and its own personality.

Even readers unacquainted with Burns may read Mr. Ferguson's book with interest and pleasure; those who are already interested in the poet can

hardly afford to neglect such a shrewd, fresh, and well-based study.

Mr. Trilling's book, like Mr. Ferguson's, is primarily concerned with the ideas and personality of his subject. In a series of thoughtful essays he follows the development of Arnold's thought, alike through poetry and prose, his search for a basis of certainty that might unify the modern world and the modern mind, his attempt to extract the beneficial aspect of modern revolutionary movements, without losing whatever of value may be preserved by tradition. Despite a number of shrewd comments, Mr. Trilling studies Arnold's work not so much as a portion of literature, but as a contribution to the history and theory of civilization; he applies to Arnold's writing the critical attitude that Arnold preached, and often practised.

It is a book that requires to be read, and deserves to be read, with strict attention; not easy reading, but in fullness of treatment and balanced acuteness of interpretation, a thoroughly masterly work.

Town Founder

"Nebraska Coast," by Clyde Brion Davis. Farrar and Rinehart, \$2.50.

BY W. S. MILNE

THIS is a readable yarn of pioneering west of the Mississippi in the sixties. It is inclined to run to formula as far as plot is concerned, but it is lifted out of the stereotyped "western" class by its excellent characterizations and pithy dialogue. It particularly liked: "You ain't got brains enough to pour swamp water out of a boot even if directions was on the heel."

Clint Macdougall and his father live in New York state at the start of the

tale. Mac is a big powerful man who thinks for himself, and is not overly fond of farm work. The latter characteristic leads him to become a barge-captain on the Erie canal. Clint, aged eleven, drives the team. The Civil War breaks out, and Macdougall is rash enough to assert publicly that there is good and bad on both sides. He becomes somewhat of an outcast as a result, and decides to emigrate to the "Nebraska Coast," where a cousin has already settled. The description of the family's first railway journey is well done. On the cars, still spoken of as a "brigade," "train" being applied to wagons only, Macdougall meets a Major Brown, the inventor of a geared steam-wagon, which is going to solve the problem of prairie freight transportation before the government can get around to making the West safe for railroads. Influenced by him, Macdougall settles on land along the proposed steam-wagon road west from Nebraska City. The steam wagon comes to nothing, and the railroads are free of railless competition for the next sixty years. The Macdougalls, however, thrive, and the book ends with the father, now Mayor and leading citizen of Macdougall, Neb., headed for Congress. He got on because he left others to work his farm while he developed an eating house for wagon-drivers, then a general store and at length a bank. There are some typical western episodes: a buffalo hunt, a triple murder, a near lynching, but on the whole the accent is on characterization rather than action. Clint and his father are well drawn, and so are a number of minor characters. The story is told from Clint's point of view, and this gives the tale a naive youthful simplicity of style, which is evidence of the writer's artistry, for it gives a freshness and vivacity to the whole thing. Wild Bill Hickok enters the tale briefly, and emerges as coward, murderer,

braggart and liar. The rain-maker episode is another choice bit, and so is that of the first religious service held in Macdougall's hotel.

This is a book to be recommended, with only one warning: the dialogue is a bit lurid in spots, which is a pity, for the book is good enough to stand without such cheap and overworked tactics. The author's own pioneer grandfather seems to have given him the material to work on, and so the historical accuracy of the story is probably high. Historical accuracy in itself never made a readable book; here, however, the dead bones have been entertainingly animated.

Crime Calendar

BY J. V. McAREE

LINDSAY ANSON greatly interested us in his first book, "Such Natural Deaths," and in "Hung by an Eyelash" (Collins, \$2) he pretty well establishes his right to be called the best author of thrillers to appear in a long time. His genius is original and so it is difficult to classify him precisely. His novels are thrillers in the sense that on reflection one has to set them down as incredible. They are detective stories in the sense that there are murders committed which have to be unravelled by the application of a fine intelligence. He has his own niche, and in addition a rare sense of humor. We do not know another writer now practising who can amuse us with such Malapropisms as flow from one of the amateur detectives in "Hung By An Eyelash". In a word, we thoroughly enjoy this writer and commend him heartily to all our readers. In his latest book he exploits an idea that strikes us as highly original and even horrifying. We also enjoyed greatly "Murder on Display" by Christopher Hale (Doubleday

The New Books

"Eastern Visas," by Audrey Harris. Collins, \$4. An unusual young woman tells about her journey alone in China, Japan, Indo-China.

"Portrait of Stella Benson," by R. Ellis Roberts. Macmillan, \$5. A biography of the brilliant British authoress who died in 1933.

"The Struggle for Peace," by the Rt. Hon. Neville Chamberlain. Thomas Allen, \$3. The collected speeches of the Prime Minister of Great Britain (from '37 to '39) bearing directly on the foreign situation.

FICTION

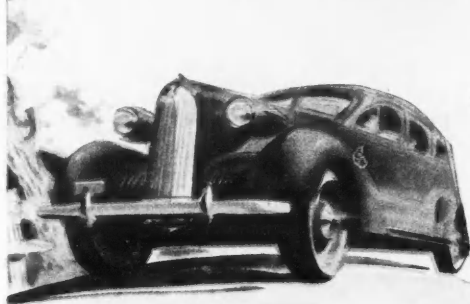
"The Open Sky," by L. A. G. Strong. Macmillan, \$2.75. Love on a wild Irish island, by the author of "The Garden."

"Quartet," by Emil Ludwig. Longmans, Green, \$3. "Two brilliant and witty artist couples withdraw from the turmoil of the world to find peace and happiness with each other." It takes them some time.

"Anne Minton's Life," by Myron Brinig. Farrar & Rinehart, \$2.50. A new novel by the author of "The Sisters" and "May Flavin."

"Tellers of Tales," Selected, and with an introduction, by W. Somerset Maugham. Doubleday, Doran, \$4. An anthology of the short story, selected by an expert, which includes 100 masterpieces from the literature of the United States, England, France, Russia and Germany.

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GUARDIAN OF CANADIAN HOMES

THE LONDON LETTER

Oxford Reads "Psmineus" For Our Psmith

BY P.O.D.

London, June 26, 1939.

LONDON, too, has had to have its bit of pageantry and parade in connection with the Royal visit to Canada—quite a generous helping, in fact. On Thursday there was the triumphal return home, and the biggest crowd ever seen in The Mall and in front of Buckingham Palace. It is doubtful if another small boy could have managed to squeeze in anywhere.

About the only unoccupied place was the top of Queen Victoria's head on the Memorial facing the gates. What would that august old lady have thought of it all—people clambering up her monument, and waving hats and shouting while they clung to her royal robes? "We" probably would not have been "amused." But then "we" probably would not have been displeased either.

Far be it from me to pretend that I was a member of that loyal and clamorous crowd. As one gets older the job of pushing four hundred people—not all at once, but successively—off one's feet becomes more and more onerous. But I did see the King and Queen leave next day for their state luncheon at the Guildhall. And a very bonny sight it was—the state carriage with the four cream-colored horses, the escort of Life Guards, all shining metal and waving plumes, and the cheering and waving crowds lining the route.

It was a very pleasant and exhilarating spectacle in the mid-day sun. And the pleasantest part of it was to see how well and how cheerful the King and Queen both looked. There had been a lot of talk in the Press and elsewhere of the immense strain of the Canadian visit and its American interlude, the unceasing receptions,



THE GOVERNOR of the Hudson's Bay Company inspects his northern posts in modern fashion. Some 5,000 miles were covered by P. Ashley Cooper, traveling by air, to visit two dozen posts between Edmonton and Aklavik on this summer's inspection tour. Note SATURDAY NIGHT'S Financial Section being read aloft by P. A. Chester, the company's general manager, in the seat behind Mr. Cooper.

the thousands of hand-shakes, and—heaviest of all perhaps—the constant need for care and tact, where any little slip would be so enormously magnified in its effect.

Well, all I can say is that neither the King nor the Queen could have looked any better, if they had spent the time up at Balmoral amid the quiet of the Highland braes. They showed no sign whatever of strain or of worry. One can only conclude that they were not conscious of any, that they had felt no call to behave with anything but the simplicity and kindness and dignity which are natural to them, that they had thoroughly enjoyed their experiences, and that, being happy themselves, they had made people happy around them. And that is the chief reason why the Royal Tour was the tremendous, the triumphant success it was.

Careful "Bhoys"

From watching the Royal Progress I went along to Olympia to see the International Horse Show, which is always one of the most attractive features of the Season—even to a man who doesn't know much more about a horse than that you put the bridle on one end and make a point of not walking too close to the other. But fortunately you don't have to know anything about a horse to enjoy the Horse Show. You merely have to look on.

The chief item on the program for Friday afternoon was the jumping for the Connaught Cup for British and Dominion officers. This year it was an entirely British affair. There was no entry from any of the Dominions, though our own Canadian High Commissioner, Vincent Massey, presented the Cup, handing it up to the winner with a calm dignity entirely unimpaired by the champings and pawings of the spirited war-horse, which looked about ten feet high. But probably High Commissioners get hardened to such honorable perils.

It cannot be said that this year's Horse Show was quite up to the standard of other years. There was, for instance, nothing to compare with the performances given in other Shows by the famous Escadron Noir from Saumur, the great French school of equestrianism, whose displays of high-school riding were the finest ever seen in this country. So at least competently horsey people have assured me, though even I knew that I was watching something very beautiful indeed in the grace and perfection of its apparently effortless mastery.

Perhaps I should include Eire among the foreign entries. At any rate, I noticed that the Irish team jumped in the international events, but refused to do it for the Connaught Cup, which is an exclusively Empire affair. Oh, well, I suppose the "bhoys" have to be careful. It wouldn't do to have the I.R.A. expressing its annoyance with a few extra bombs.

"Jocosissime"

When next you read of the adventures of Bertie Wooster and Jeeves and Psmith—supposing, dear reader, that you are, like myself, a Wodehouse addict—kindly remember that the author of all those delectable absurdities is now to be spoken of as Dr. Wodehouse. At Oxford last week they made him a "D.Litt."—not to be confounded with Doctor of Litters, unless you want to get into trouble with the courts.

There may be a certain number of priggish and pedantic persons who object to a mere humorist being so honored. But the erudite authorities of Oxford, who talk Ciceronian Latin as easily as the rest of us talk slang, have happily thought otherwise. And there is this at least to be said for Mr.—I beg his pardon, I mean Dr. Wodehouse. He does write English, graceful and easy and spirited English. He manages to be extremely funny without having to adopt the tough sort of jargon most of the

popular humorists of the day affect—chiefly, I suspect, because the bulk of their stuff would be very flat and unfunny without it. Oxford did well to honor him.

One of the things that puzzled Wodehouse fans was how the Public Orator at the Conference—or the Encenia, as they call it in their sprightly way—would manage to work in the names of the Wodehousian galaxy, for all these things are done in Latin. But the P.O. was equal to the occasion. He even contrived to fit them into hexameters, though the admirable Psmith surprisingly emerged as "Psmineus."

The epithets applied to "P.G." himself rose magnificently from "facetissime" to "jocosissime" and finally to the superb "ridibundissime." There was a lot more of it, which I won't inflict on you—probably you have lost your Latin dictionary, too—but it was very learned and jolly. And everyone was delighted, including, no doubt, Dr. Wodehouse himself. But he is probably going to find that from now on he will be known as "Doc." That sort of thing takes a lot of living down.

Incidentally Vincent Massey also figured in the Honors List—a D.C.L. this time. But then he is an old Oxford man and an M.A. of Balliol, so he probably finds no difficulty in taking this sort of thing in his stride. He may even have found it easy to follow the description of himself and his activities—"Nunc Londinii id strenue prae se fert ut artioribus, si fieri potest, vinculis cum Matre Britannia filia sua conjungatur."

Very neatly and nicely put, too! One of these days I shall borrow a dictionary and work it out.



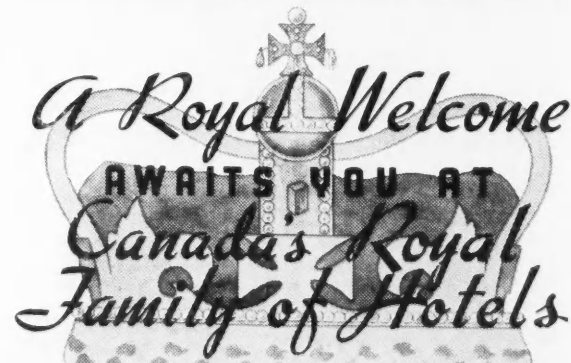
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Safety for
the Investor

SATURDAY NIGHT, TORONTO, CANADA, JULY 15, 1939

P. M. Richards,
Financial Editor

The Price We Must Pay for Export Industry

BY ALBERT C. WAKEMAN

Behind the Bata shoe incident is the major problem of whether we want manufacturing of the kind that goes after exports in volume.

In these times when the field for high priced exports is so limited, such a development threatens to revise downward our ideas on wages and living standards.

We have therefore to decide whether to remain a people living well off the cream of our natural resources, or become a much greater people cultivating these resources more intensively.

This article suggests that we are being inevitably driven along the latter path.

AT FIRST glance it looks as if the country had come to a sorry pass, that it should boggle at the admission, for the purpose of establishing a shoe manufacturing industry in Canada, of refugee capital and refugee workers from Czechoslovakia, with the fate of which nation Canadians had already expressed so much sympathy.

The suggestion that it was merely a scheme to evade the immigration law seems to be the merest nonsense. The Bata firm is one of the largest in the world, and the handicraft of export business under German as compared with Czechoslovakian auspices is sufficient reason for its desire to find new locations. In fact it has very largely re-located, already having plants in Great Britain and the United States. Canada is fortunate to be even in the running.

Competition, But . . .

Every capital investment, and every new worker, means more competition for those already on the job. But it is the very essence of progress that new inventions and new systems should grow into new industries, and that fresh workers should become available every year. To stifle it would be the philosophy of destroying labor-saving machines, and return to primitive mucking in the dirt—in short, to those methods which produced the poorest returns for the hardest labor.

The road to progress must be paved, stone by stone, with devices for putting more goods on the market per unit of capital and labor employed. That some equipment and some labor becomes obsolete with each new addition to production, is inevitable. The fact remains that there is still some net addition to the aggregates of capital and labor employed, and to purchasing power.

An export industry finds special favor, on the ground that it sends the new output out of the country, but spends the proceeds within it. That is an old mercantilist view. Why there should be any special blessing in improving methods and lowering prices to the foreign rather than to the domestic buyer is difficult to see.

The Bata incident nevertheless raised the very important question whether we in Canada really want to industrialize our country for export.

It is not an isolated case, however. The whole future of munitions and aircraft in Canada hinges on whether we are willing and able to fabricate in Canada at a competitive level. The Empire favors us a little on armament, but Britain cannot be expected to pay us a high premium for taking over her production.

In shoes or other normal manufactures we may also derive some benefit from Empire preferences, but with self-sufficiency being emphasized in Australia, New Zealand, etc., the scope for this kind of export seems to be narrowing. Real strength can be founded only on the ability to meet all comers.

Question of Standards

What Canada has to decide, is whether to be satisfied with a small population living on a high standard through accepting only the small amount of business that be done at high prices, or whether to go after the volume of business necessary to sustain a large population.

If you own a good farm, you probably can keep a small family in comfort by working only the best parts. But if you crowd it with dependents, then you have to cultivate it intensively, and plow back a lot of the proceeds in order to maintain its fertility.

Canada is in that position in regard to its own natural resources, having lived well off the best, but being now faced with the fact that, if more people are to make their livelihood here, then some of our standards must go by the board. The motor-car, the telephone, the expensive radio, and the six-roomed house with all conveniences, cannot be financed on the income of many farms or urban undertakings which are on the border line of subsistence today.

Among those who glibly speak of doubling our population, there is a fiction to the effect that so much more volume of business would enable us all to prosper. The fact is that, other things being equal, the more you crowd a country the lower you depress the average output per head.

Inventions and improvements can overcome this, as witness the fact that eleven million people live better in Canada today than did a few thousand Indians four centuries ago. But with the technique available at a given time, it is better for the individual if the country is under-populated than if it is over-populated. Indeed it is better also to keep the capital investment below rather than above the possibilities. Under-development means that there are opportunities for both labor and capital.

The full maturity of a nation (if ever reached) means that the door to enterprise is closed; you have to wait for some one else to die in order that you may step into his shoes. That is why, in European countries, they have to pay premiums to get their sons into the professions, and give dowries with their daughters in marriage.

Carrying Our Debt

But, you suggest, since we have already over-capitalized our country—with debt—should we not try to build the country up to the debt? If you have incurred a \$10,000 debt for a \$5,000 farm, you may carry it by taking on more help, but it will mean a tougher grind for all concerned.

So also could twenty million people living in Canada service the present debt with less individual burden than



GETTING IN DEEPER AND DEEPER

can the eleven million people who are living in it today, but their earning power to start with would average much lower than it does now, and their net income, after taxes, would certainly be less.

It is easy to overlook the fact that the absorption of new peoples, and the opening up of new resources to sustain them, is of itself a costly and usually a debt-creating procedure. And it is also rather obvious that a political attitude which has allowed the debt to get out of hand when there were only eleven million people living on a high standard, would make a still worse mess of finance if there were twenty million people on a lower economic scale.

There is no conceivable way in which another ten million people can be introduced into the country as consumers, without at the same time introducing them as competitive producers and workers.

If we still feel that every argument is in favor of growth, we have only to ask ourselves whether we would rather live (as average workers, not as idle rich) in such matured and

populous countries as France, Germany, Belgium and England, or in the comparatively "undeveloped" countries such as Canada, South Africa, Brazil and the Argentine.

For all the artificially-created employment available in the old countries, it is admitted that the best opportunities for the young are still found in the newer countries.

Then, if we decide to push on, we can do so with an intelligent realization of what to expect. Possibly we have no real choice in the matter. For we have been told, in a way, that if we do not fill up our country we will have to hand it over to a people who will use it. And these same circumstances are forcing us to think in terms of gross results—the number of airplanes and shells that we can make, and the number of men we can provide to handle them, and at the same time the number of workers we can keep producing food and other necessities—rather than in terms of the average standard of living. Possibly we have to reconcile ourselves to a

(Continued on Next Page)

What Is A Canadian Oil Royalty?

BY H. G. COCHRANE

Notwithstanding the rapid progress of Alberta oil development, few Canadians know how funds are raised for drilling wells. This article is designed to inform them, particularly regarding oil royalties.

It deals with such matters as the evolution of the oil royalty, the ownership of mineral rights in Canada, the customary procedure in Alberta, royalties vs. oil stocks, uncontrolled flow vs. production, prairie oil consumption and production, and provides a useful yardstick for the evaluation of royalties.

Mr. Cochrane rightly says that the Western Canadian oil industry would benefit greatly by undertaking an educational campaign in Eastern Canada with a view to selling itself to a larger section of the Canadian public.

OIL development in Alberta has poured wealth into many a western pocket over the past three years. Today it has grown to a point where the local supply of investment funds is inadequate to keep up the pace. Yet, apart from the prairie provinces and British Columbia, little is known about how funds are raised for drilling wells, beyond a familiarity with the names of a few of the better known oil stocks.

While most of the earlier oil developments in Alberta were financed through the sale of shares, since the discovery of crude in 1936, financing through royalties, as is standard practice in most oil-fields in the United States, has been more generally the method used.

More Eastern Capital

Most of the money invested to date in Canadian oil royalties has been western capital. Much the same situation existed a generation ago in the United States where oil had long ago been found in limited quantities in the east, yet where, as larger oil-fields were found in California, Oklahoma and Texas, the east was rather indifferent towards the opportunities offered for investment in western oil royalties.

Yet, since the World War, a much greater interest in oil has been displayed in the east and there are hundreds of oil-royalty dealers today who have sold many millions of dollars worth of royalties to the eastern public.

At the outset of the recent depression, the many oil-royalty trusts which had been formed in the United States prior to that time crashed along with other types of inflated investments and it took four or five years before confidence began to be restored in the underlying royalties. The rulings of the Securities Exchange Commission, though onerous and smacking of red-tape at times, have been largely instrumental in this return of confidence.

In Canada, however, the provinces exercise control over the situation through their Securities Commissioners, who among other things set a maximum price which dealers may charge for royalties at the time the trust agreement is drawn up with the trust company who are to act as agent for the oil-producing company.

Evolution of Royalty

In early days the oil-royalty business commenced in the form of personal agreements between landowners and the oil producers who leased their land for drilling. On lands where mineral rights are included in the deed, the landowner may separate and sell these rights.

Unless he is fully equipped to drill for oil himself, he leases his rights to an oil-producing company. This is not a lease, as usually understood, but rather a transfer of property rights in sub-surface oil to the producing company, stipulating the duration of the lease, how soon drilling must commence (usually within twelve months), percent of production to be received by the landowner before deduction of expenses other than taxes, rate of rental per acre until production begins, and what bonus, if any, will be payable for renewal of lease.

Mineral Rights

Prior to the time of Confederation in 1867, land in what is now the Prairie Provinces either belonged to the Indians or to the Hudson's Bay Company. Under the "Rupert's Land Act" of 1865, much of the Hudson's Bay land in what was then to be the North-West Territories was given back to the Crown; while later by the terms of the various Indian treaties, Indian lands, other than allotted reservations, were also returned to the Crown, and all titles conferred by the Hudson's Bay Company on lands which they disposed of—prior to March 8, 1869—were confirmed in 1868 by the Dominion. Such lands as had then been sold by the Hudson's Bay Company included mineral rights. The Dominion Lands Act of 1886,

Section 47, provides that lands containing coal and other minerals shall be disposed of on such terms as are fixed from time to time by the Governor-in-Council. Further acts in 1889 withheld all mineral rights in the case of sale of Dominion lands. The Dominion Lands Act of 1908 provides that mineral rights may be leased under regulations which provide for such leases.

At the time of the building of the Canadian Pacific, large blocks of land were given to the C.P.R. and the Calgary and Edmonton Railway Company as a subsidy. A decision was handed down in 1904 providing that the Calgary and Edmonton Railway Company, now a subsidiary of the C.P.R., was entitled to lands given them as a subsidy without any reservation of mines and minerals except gold and silver, and that the Dominion Lands Acts of 1886 and 1889 would not apply in their case. The same regulations apply on all C.P.R. lands.

Much later, in 1929, the natural resources were deeded by the Dominion to the Western provinces, and all mineral rights on Crown lands became the property of the provinces in which they were situated, rights on lands in the Territories remaining under federal jurisdiction.

Lease From Province

Thus, it is brought about that some few landowners have full title to mineral rights on their property, while most of those who lease mineral rights lease them from the province in which they are situated, and 10% of gross production is payable to that province. In the case of C.P.R. lands, or Calgary and Edmonton lands, however, which were transferred by the Dominion with mineral rights, these rights are reserved by the Calgary and Edmonton Company, or the C.P.R., when their lands are sold. The lessee of mineral rights on C.P.R. lands, therefore, pays the 15% of gross production required by them to the C.P.R. or the Calgary and Edmonton Company and not to the Province.

In the North-west Territories, on Crown lands and lands where mineral rights were excluded in the original transfer of ownership, however, the mineral rights have to be leased from Ottawa or from the original owner, if he withheld them when they passed from his ownership.

An oil lease, being, as already explained, a transfer of property rights in sub-surface oil, is in reality a mineral deed, and as such it is recorded at the land-titles office of the district in which the land is situated, as well as any further transfers of ownership of such property rights.

Alberta Procedure

Currently, the custom in Alberta is to divide the product of a well or lease into 100 parts, each 1% of which is termed a royalty. In reality, however, the term "royalty" applies to the interests in production retained by the Provincial government or by the original owner of the title to the mineral rights, and that of the promoter or original lessee, all of which are gross interests before deductions for operation, maintenance and management charges. Such interests are called "gross royalties" and are true royalties in every sense of the word.

The remaining interests in production, while arbitrarily termed "royalties" also, are actually "working interests" in the well and only participate in net production after operating and management expenses are paid. To distinguish these from the true royalties already mentioned, they are termed "net royalties", and may be either "preferred", or "deferred".

The "preferred" are those which alone participate in proceeds of production until such time as the original investment is returned in full to the purchaser, after which time the "net deferred" royalty-holders also begin to participate. A further classification distinguishes between royalties on production from a single well, and those on a whole lease and all wells to be drilled thereon.

A reputable trust company is selected. (Continued on Page 15)

THE BUSINESS FRONT

No. 1 Problem

BY P. M. RICHARDS

OF ALL the major problems worrying society today, none is more bothersome and pressing than unemployment. Because unemployment isn't something that can be pushed aside with the promise that we will deal with it another day, as we do with the problems of our railway losses and over-government and unbalanced budgets; unemployment forces itself upon our consciousness every day in the necessity of providing relief for destitute out-of-work and in the discomfort of seeing our young people without jobs or any prospect of getting them.

The unemployment problem is particularly worrying because it seems to be steadily becoming more serious. That is, the development of our economy seems to have reached a point where unemployment is a serious factor even in relatively good times, and an economy-wrecking factor in times not so good. For instance, unemployment in the best year of the recovery (1937) was considerably greater than at any time during the 'twenties.

A recent review by the Bank of Nova Scotia portrays vividly the rapid growth of unemployment following the onset of the depression, to a point in 1932 and 1933 when approximately one-quarter of the country's entire working force were without jobs. It also shows the gradual reduction in unemployment in the subsequent years up to and including 1937 and the more recent worsening of the situation, including the significant fact that although in 1937 employment momentarily regained the peak level of 1929, unemployment still remained substantial, because of the addition to the unemployed ranks of many thousands of persons, both young people and adults, who had never been wage-earners.

Make Building Profitable

The bank review tells us that the bulk of unemployment originates with the industries subject to wide fluctuations in activity, namely those concerned with construction and other durable goods and with certain branches of export trade, which fact of course provides the reason for the emphasis on stimulating construction, and particularly residential building, in the report of the National Employment Commission and in Dominion legislation.

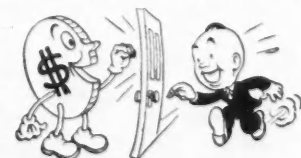
But while it is clearly shown that this is a fruitful field for governmental stimulation, we are perhaps entitled to question if stimulation can possibly be adequately effective, in view of the fact that unemployment is, of course, not really an individual problem, but rather is inseparably linked with other outstanding problems of taxes and socialistic legislation and obstacles to international trade, with their resulting checks on productive enterprise generally. What, we may ask, is the value of measures to facilitate the construction of buildings so long as there is reason to doubt that those buildings can be put to profitable use?

It is surely more than a coincidence that during the years in which unemployment has been developing as our No. 1 economic and social problem, we have also witnessed an almost complete cessation of the flow of capital into productive enterprise, notwithstanding the existence of the greatest volume of idle capital on record.

Today the banks and other financial institutions are chock-full of money looking for profitable employment. Because the earning of a worthwhile return on investments in "risk" enterprises has become so difficult and uncertain, the idle capital is going into government bonds and other supposedly "non-risk" investments. Governments spend it for relief of unemployment and for new highways, post offices and bridges. We do not get new factories, and it is new factories we need.

During this period in which industrial expansion has slowed almost to a halt, scientific research has developed a thousand new materials and new processes for the use of industry in the production of new and better goods. And conservative informed opinion holds that there is already scope for the employment of all would-be workers in the satisfaction of known wants, including the modernization of industry's productive equipment.

Instead of concentrating on the relief of conditions created by unemployment, it would surely be better for those presently unemployed and for society as a whole if we made the increasing of production our central aim. That would involve, of course, the creation of conditions favorable to such an increase, which is much more easily said than done. How can we get rid of our debts and taxes? But recognition and acceptance of the new objective would themselves do much to hearten industry and owners of capital and smooth the path of progress.



Mines

BY J. A. McRAE

GOLD may be advanced from \$35 to \$41.34 an ounce at the discretion of the president of the United States according to authority once more restored to the president. Those who threatened to pull down the structure which the Roosevelt administration has erected were quick to learn that whether the Roosevelt program has been right or wrong, it has nevertheless become so deeply rooted that it cannot be torn down haphazardly without serious damage to the entire American tree. Hence the continued executive control over money and gold.

Gold mines of the province of Quebec produced approximately 490,000 ounces of gold during the six months ended June 30, according to estimates prepared for this paper. This had a value of some \$17,200,000. The increase in output is more than 13 per cent. above the corresponding period of 1938.

Pamour Porcupine has turned attention toward large sections of low grade ore, and the average recovery so far this year has been somewhat below that of the previous year. Recovering a little less than \$5 per ton, or mining and milling seven tons of ore in order to recover one

ounce of gold, the company has turned attention toward lower operating costs. The decline of 20 per cent. in grade of ore as compared with the average obtained during 1938 has reduced the margin of net profit.

Wright-Hargreaves treated approximately 215,000 tons of ore during the six months ended June 30, according to preliminary and unofficial estimates prepared for this paper. Output was slightly above the average established in 1938, and is estimated at \$3,950,000 for the six months.

Gold mining in Ontario used to be reckoned largely in terms of Porcupine and Kirkland Lake mining areas. Now, however, the Patricia District and the Thunder Bay field have come to be regarded as big fields also and with prospects of further important growth. Gold output from the district of Patricia for the first half of 1939 rose to approximately \$4,800,000, or a close approach to a rate of \$10,000,000 a year. The output of gold from the Thunder Bay district in the six months ended June 30 rose to \$3,700,000 according to preliminary estimates, or a rate of \$7,400,000 annually.

Ontario gold mines have produced a grand total of \$978,000,000 in all past history of mining in the province. At the time that I write, the output has attained new peaks and is steadily growing. It will require just nine years from this date to produce as

much gold from this province as was turned out in all past history. That is to say that while the late summer of 1939 will see output pass the first \$1,000,000,000 in gold produced from mines of Ontario, yet by 1948 the total will probably pass the \$2,000,000,000 mark.

The Porcupine mining field produced some \$22,000,000 in gold in the half year ended June 30. The Kirkland Lake goldfield produced not far under \$17,000,000 in the six months ended June 30.

Sigma Mines in Quebec produced \$157,513 during June for a total of \$932,684 in the six months ended June 30.

Siscoe Gold Mines had an output of \$157,211 during June, or a total of \$981,356 during the half year ended June 30.

Kenricia Gold Mines has gone into regular production with its new mill of 100 tons daily.

A mining plant is in course of erection on the Steep Rock Iron Mines preparatory to commencement of underground development.

Sudbury Basin Mines will pay a dividend of five cents per share on July 27th. This will call for distribution of \$85,000. The company holds close to 1,200,000 shares of Falconbridge Nickel Mines, and derives an

income of some \$350,000 a year annually from this source. In addition, Sudbury Basin is a heavy holder in other important mining companies.

New Golden Rose showed an operating loss of \$2,100 in May due to a six-day loss in operating time in the mill. In the first five months of this year operating profits aggregated \$40,727.

Preston East Dome produced \$157,037 during May. The grade of ore at \$14.72 recovery was somewhat above the average expected until such time as milling operations become established on current production from the mine.

Coniagas Mines will pay a dividend of 12½ cents per share on August 10.

Paymaster Consolidated produced \$123,765 during June. The ore yielded an average of \$7.41 per ton. In the fiscal year ended June 30 the output amounted to \$1,429,297.

McKenzie Red Lake has commenced lateral work at new levels established through recent completion of sinking to the 12th level. The greater part of production from the mine so far has come from above 500 ft. in depth. Marked interest is centering upon the results to be secured at the new levels about to be explored.

Perron Gold Mines produced \$112,712 during May, with the plant operating at a rate of close to 360 tons of ore daily.

Export Industry

(Continued from Page 11)

sterner life, as did the Spartans of old.

Accepting that as our fate, it means that we have to take our new industries wherever we can find them. The Bata firm undertakes to produce shoes at a low enough cost to compete on the world markets, and in so doing it can hardly fail to under-cut a lot of the shoes now on our domestic market. That will bear down hard, for a while, on the home industry. But it is the price which we must pay for securing a group of workers who will be buyers of everything else except shoes.

And there is no way in which they can keep shoes dear enough to satisfy the existing producers, and at the same time cheap enough to sell a lot in foreign parts.

In many countries, export subsidies are being used in an attempt to dump goods on export markets without affecting the domestic level. But this kind of bonus proves a boomerang. It invites special duties which raise the ante still higher. And for a complexity of manufactures, it requires sooner or later a control of foreign exchange and a differentiation between domestic and export currencies. The bonus paid on exports must be met by taxation at home, so that the apparent profits

of the artificial home market disappear before they can be realized in the buying power of dividends or wages.

That is exactly what is happening to our present wheat bonus. It is making the farmers a gift of forty or fifty million dollars a year, but taking exactly the same sum from the pockets of the people as a whole. A bonus is a nice thing when only one class enjoys it. When every class is bonussed, its virtue disappears.

There probably never was, in the history of the world, a country faced with such an opportunity to acquire industries ready-made, as is Canada today. The Bata shoe firm is only one of many hundreds, in Great Britain and other countries of Europe, which are looking for a new location.

Another industrial revolution may result from the war-clouds which are over Europe, and from the development of the airplane as an offensive medium annihilating the distances which were formerly considered safe.

Canada's Advantages

What they are looking for, first of all, is a place removed from the danger zone, and at the same time close enough to world markets for economical movement of raw materials and finished products. Canada satisfies them in that respect, while Madagascar does not.

Second, there must be a reasonable prospect of political stability, and of adequate defense if needed. There again the British Empire fills the bill, while the interest of the United States in preserving Canada against invasion is a second vital consideration.

Third, there should be at least enough industrial development to provide a minimum domestic market and a supply of raw materials and labor. Canada has those features, with all the promise of further development by reason of its low ratio of population to area and natural resources.

The United States is not by any means overlooked in this new industrial program. It is by far the greatest market in the world, and at the same time it remains a land of comparative liberty. But however good it may be for a self-contained economy, there is a grave suspicion that the new deal in wages, socialism and taxes will handicap the United States as a basis for an export industry.

The low costs associated with mass production have done much for American export in the past, but their continuation into the future is not assured, in the face of these handicaps.

Sacrifice Involved

Canada can have this business, provided that it is willing to sacrifice some of the ideals to which it has so vainly tried to cling throughout the depression years.

The change is liable to come in indirect ways, rather than in point blank requests for the abandonment of minimum wages and other restrictions. Some of the largest industrial concerns make their own communities, with houses, stores, and amusements, constituting a circle of transactions which defy the test of regulations which are aimed at a more individualistic economy. In a big way they parallel the problem of the Chinese restaurant which, to the minimum wage authority, has always been a Chinese puzzle as to who owns it, who runs it, who hires who, and for how much.

We cannot object to the community principle, because we have pointed with pride to many mining and industrial centres which were developed in that way. But we may have to revise our notions of how well the average worker should live in such a community. And if we are seriously going after the export of manufactures, the standard will have to be based on what can be earned from such export business, and not on what we think can be squeezed out of the Canadian consumer.

CHAMPION SAVINGS

THE annual report of Champion Savings Corporation Limited, shows an increase in assets of 59% and in certificate deposits of 28% for the fiscal year 1938. This makes the past year one of the most successful recorded by the company.

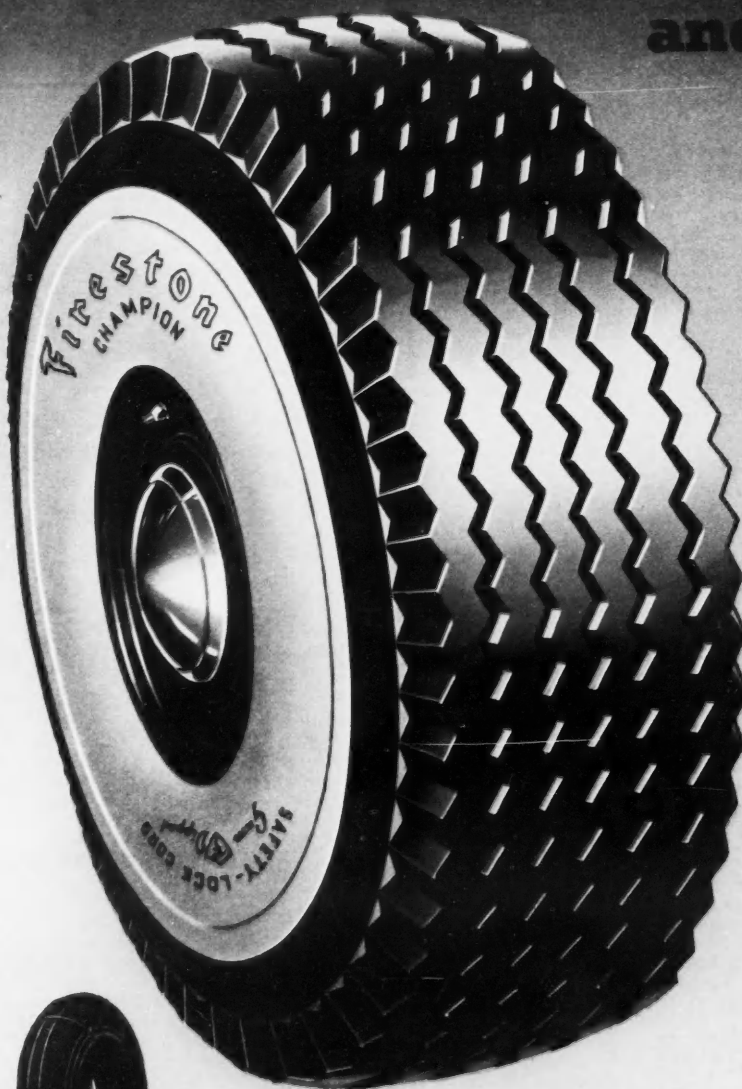
The auditors' report shows deposits with the company's trustees equal to approximately \$142 for every \$100 of liabilities to certificate holders, which is considerably in excess of certificate requirements. Investments were on the basis of 96% in government, provincial and municipal bonds; 4% in first mortgages, for amounts never in excess of 50% of the assessed valuation of the city home properties that secured them.

The trustee will continue to receive from Champion Savings Corporation Limited all funds required on an actuarial basis to mature the certificates and to invest them in high grade securities as specified in the savings certificates.

Champion Savings Corporation Limited is now operating in six Canadian provinces, and, according to its president, L. R. Champion, further expansion is planned during the current year. Business in Eastern Canada, where the Province of Quebec territory was opened in 1938, shows encouraging progress and business has continued to increase since the close of the company's fiscal year, indicating further progress in 1939.

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CONCERNING INSURANCE

Automatic Non-Forfeiture Clause

BY GEORGE GILBERT

Although it is not as yet compulsory under our Provincial insurance laws to include an automatic non-forfeiture provision in life policies, it is usual to incorporate this feature in the contracts issued by the companies regularly licensed to transact life insurance in this country.

It is desirable that policyholders should make themselves familiar with this valuable provision in their contracts, so that they will be in a position to know definitely when the occasion arises whether the automatic premium loan plan or the extended term insurance plan is the one which should be chosen in their case.

ONE of the important features of level premium life insurance policies issued on any permanent plan is the automatic non-forfeiture provision, under which, after premiums have been paid for two or three or more years, as the case may be, if the current premium is not paid when due, the policy is maintained in force automatically, either by way of a premium loan at not more than six per cent interest, or by way of extended term insurance, as long as there is any cash value left in the policy.

Under the policies of some companies, in the case of non-payment of premiums after the policy has been in force for two or three years, as stated in the contract, an automatic premium loan is granted without application at six per cent interest, provided the surrender value, less any indebtedness, is in excess of the premium due; or, after the policy has been in force for three years, the policyholder may, by notice, provide for extended term insurance on the non-participating plan.

Under the policies of other companies, after two or three years' premiums have been paid, if the current premium is not paid the policy is maintained in force automatically as extended term insurance, according to a table of guaranteed values in the policy; or, on written request, the policy will be maintained in force by automatic premium loans as long as the net surrender value is sufficient to meet the required premium plus interest at six per cent per annum.

Thus in both cases the policyholder has the privilege of selecting either a premium loan or extended term insurance. But if he fails to make a selection, an automatic premium loan is granted in one case, while in the other case extended term insurance automatically applies.

Reinstating Policy

When an automatic premium loan has been granted, the policyholder has the privilege of paying off the loan at any time and so reinstating the policy for the full amount without having to furnish evidence of insurability, but when automatic extended term insurance has been granted, the policyholder must furnish evidence of insurability satisfactory to the company if he wants to have the policy reinstated on its original basis.

Under the automatic extended term insurance provision, the policy is maintained in force for its face amount as term insurance during the entire term provided for, so that in case of a death claim the face amount of the policy is payable without any deduction. Under the automatic premium loan provision, in case of a death claim, the amount payable is the face amount of the policy less any loan indebtedness existing against the policy at the time it becomes a claim.

It is for the individual policyholder to determine which of these two provisions is the one which answers his own requirements; whether the automatic premium loan feature, with its privilege of reinstating the policy in its original position without furnishing evidence of insurability by paying off the principal and interest of the loan; or whether the automatic extended term insurance feature, which keeps the insurance in force for the full amount during the entire term provided for, but which requires evidence of insurability if the policy is to be reinstated in its original position, is more suitable in his own particular case.

On March 19, 1930, one Adolph H. Mayers took out a life policy for \$25,000 and paid in cash the first premium amounting to \$1,821. In his application, which was made a part of the policy, he had elected to pay the premium annually in advance and to have the dividends applied in reduction of the premium; and, as a non-forfeiture provision, he had selected extended term insurance.

Borrowed on Policy

His wife was the original beneficiary under the policy, but on May 6, 1930, at his request, the beneficiaries were changed, so that in addition to his wife his children were to share equally in the proceeds in the event of his

death. He died on April 1, 1932. Until September 19, 1932, a period of two and a half years from the date of the issuance of the policy, the premiums had been duly paid, but during the same period he had borrowed from the insurance company in order to pay a portion of the premiums.

On September 19, 1932, he was indebted to the insurance company in the sum of \$1,994.44 on this account, and the indebtedness up to and including the last day of grace, October 20, 1932, was \$2,009, which was the cash surrender value of the policy on the last day of grace.

One of the children took action against the insurance company for a share of the policy, claiming that the policy should have been kept in force by the company up to the time of the death of the insured. He contended that the insurance company was under an obligation to use the full cash surrender value of the policy without deduction of loans to purchase extended term insurance as of September 19, 1932; and that, had this been done, extended term insurance would have been in force when the insured died on April 1, 1934, and that he, as a beneficiary, would have been entitled to his share thereof.

It was contended by the insurance company that the policy had lapsed without value on September 19, 1932, with the possible exception of the trivial sum of \$9.56, which was the net cash surrender value on September 19, 1932, and which would have purchased extended term insurance but for a few days, and that on the last day of grace the insured was indebted for loans on the policy in the sum of \$2,009, which was the cash surrender value on that date, leaving no value in the policy.

Indebtedness Deducted

Unless kept alive by the non-forfeiture provisions, the policy must have lapsed for non-payment of the premium due on September 19, 1932. The insured, however, had made the election for extended term insurance, and the pertinent parts of this option in the policy were: "The extended term insurance shall continue the insurance in force from the due date of the premium in default for its original amount and any outstanding paid-up additions less any indebtedness to the company herein, but without the right to loans."

Incorporated in the policy was a table by which could be calculated the value of extended term insurance at the end of any policy year. In approaching its decision the trial court made the following statement: "While it has sometimes been held that in computing the sum available for extension purposes, the amount of loans on the policy cannot be deducted, the better view seems to be that from the net reserve should be deducted policy loans and the surplus used as a single premium."

Further, the court said: "It is clear that a change in the cash value changes the other values, as the cash value is the basis for the other values, and constitutes the single net premium for the purchase either of paid-up insurance or extended term insurance. . . . In the instant case the indebtedness to the company on September 19, 1932, when the premium became due, was \$1,999.44, the cash surrender value was \$2,009, and the balance of \$9.56 would have purchased extended term insurance for only a few days. On October 20, 1932, the last day of grace, the cash surrender value was \$2,009, and the in-



E. J. S. BROWN, superintendent of agencies of the Crown Life Insurance Company, who was recently elected chairman of the Life Agency Officers' Association of the Canadian Life Insurance Officers' Association.

debtedness on the policy was \$2,009." And in conclusion: "The insured died April 1, 1934, and the cash surrender value or the reserve, less the indebtedness on the policy, from which extended term insurance could have been purchased, was insufficient to have purchased extended term insurance to the date of the death of the insured."

Accordingly, it was held that there could be no recovery under the policy, which decision was upheld on appeal.

Inquiries

Editor, Concerning Insurance:

Kindly give me, through your columns or by personal letter, your estimate of "Western Life Insurance Co.," head office, Hamilton, Ont. I understand the company has recently moved its head office from Winnipeg to Hamilton.

What is the company's record? Its management, and its future prospects? As a subscriber, I shall appreciate your analysis and comments.

—M. L. H., New Hamburg, Ont.

The Western Life Assurance Company, with head office at Hamilton, has been in business since June 1, 1911. It was originally incorporated in Manitoba in 1910, took out a Dominion charter in 1914, and since 1918 it has been operating under Dominion charter and registry. It is regularly licensed for the transaction of life insurance, and has a deposit with the Government at Ottawa of \$60,000 for the protection of Canadian policyholders exclusively.

For a number of years under the previous administration the company was not very active in the insurance field, but maintained itself in a satisfactory financial position. Under the present management, the company has been going ahead, its new business in 1938 showing an increase of fifty per cent over the new business of 1937, while the new premiums on a cash basis also showed an increase of fifty per cent over those for 1937. The rate of interest earned on the assets in 1938 was 5.23 per cent, as compared with 5.13 per cent in 1937.

At the end of 1937, the latest date for which Government figures are available, the total assets of the company were \$1,349,201.25, while the total liabilities except capital amounted to \$1,217,029.83, showing a surplus as regards policyholders of \$162,171.42. As the paid up capital amounted to \$138,040.00, there was thus a net surplus of \$24,131.42, over capital, policy reserves and all liabilities.

There is no doubt in my mind that the change in the administration and in the location of the head office has improved the future prospects of the company. Under energetic and capable management, there is no reason why the company should not show steady growth in business and financial strength from now on, to the advantage of both shareholders and policyholders.

**THE WESTERN
ASSURANCE
COMPANY**
TORONTO • CANADA
INCORPORATED 1851

FIRE — CASUALTY — MARINE
AUTOMOBILE — AVIATION

Thousands, by reason of mutually satisfactory experience, continue to insure with us, year after year.

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COLIN E. SWORD, Manager for Canada
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**WELLINGTON FIRE
INSURANCE COMPANY**
ESTABLISHED 1840
HEAD OFFICE - TORONTO
ONE OF THE OLDEST CANADIAN COMPANIES
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THE CASUALTY COMPANY OF CANADA
HEAD OFFICE - TORONTO
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AGENCY OPPORTUNITIES
IN SOME TERRITORIES THROUGHOUT CANADA

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LUMBERMEN'S MUTUAL CASUALTY COMPANY
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THREE NEW "FIVE FEATURE" ACCIDENT AND NON-AGGREGATE HEALTH POLICIES

1. Non Cancellable,
2. Guaranteed Renewable,
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OUR COMPLETE LINE includes: All Forms of Life Insurance.

OVER \$2.00 IN ASSETS *** FOR EACH \$1.00 OF LIABILITIES

LOYAL PROTECTIVE LIFE INSURANCE COMPANY

371 BAY ST. — TORONTO — ONTARIO

Where the Dotted Lines Meet

Almost every day there is death at the crossroads. In the newspapers the dotted lines show where the cars collided and where the Accident meted out death and injury. It is a matter of utmost satisfaction while travelling to feel that should an accident happen, a specified income is assured by a policy in the "Mutual Benefit". Get particulars of our policies that "pay for a day or a lifetime".

For
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and
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Men and
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**MUTUAL BENEFIT
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99%
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Agents invariably find this a very pleasant Company to represent.

**SOUTH
BRITISH
INSURANCE CO., LTD.**

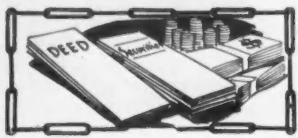
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COLIN E. SWORD, Manager for Canada.



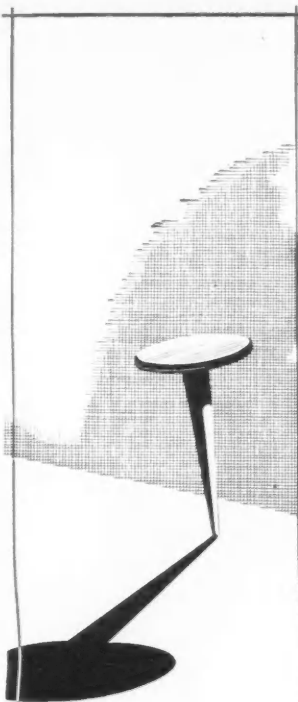
**THE MONARCH
LIFE ASSURANCE
COMPANY**
ESTABLISHED 1906

The Conservation of Estates



Conservation of Estates is assured when administration is delegated to this Trust Company. Shrinkage is one of the commonest forms of losses to Estates whose custodians have not been appointed under the safeguarding elements that distinguish this Trust Company's policies and regulations.

CHARTERED TRUST AND EXECUTOR COMPANY
74 KING ST. WEST - TORONTO
152 ST. JAMES ST. WEST - MONTREAL



Even the humble Carpet Tack is a "Manufactured Product" in this industrial age. To fashion it from raw material, men, machines and money must be mobilized.

Whether you manufacture carpet tacks or clothes pins, baby carriages or rope—money to pay for labour, raw materials and to finance the marketing of the finished product, as well as to meet other seasonal needs, is available through your bank.

This bank desires to discuss with you the financial requirements of your business.

The Royal Bank of Canada

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

MONTREAL L. H. & P.

Editor, Gold & Dross:

Recently I acquired a little money which I would like to invest in a good sound Canadian stock which would afford me a fairly secure income. After looking around, I decided on Montreal Light, Heat & Power common. Since you helped me with the rest of my modest portfolio and I have been well pleased, I wonder if you would mind commenting on this stock for me.

—G. D. B., Halifax, N.S.

Montreal Light, Heat & Power is selling currently at 31 1/4 to yield 4.8 per cent and is, I think, a sound buy for income. The company's stability of earning power—per share earnings from 1929 to 1939 have varied from \$2.14 to \$1.75, as compared with a dividend rate of \$1.50 per share—lends it this attraction. In the year ended December 31, 1938, earnings were equal to \$1.94 per share against \$1.91 in the previous year.

Earnings in 1939 are not likely to vary a great deal from those in 1938, but the savings from recent refundings, plus some regional improvement, may make for moderate gains. As I have said, the \$1.50-per-share dividend rate is secure.

SAN ANTONIO

Editor, Gold & Dross:

I, unfortunately, recently sold some San Antonio shares which I had held for a long time. Now I would like your advice in regard to buying them back as I understand developments are quite favorable.

—S. L. A., Brandon, Man.

While unable to advise as to whether you should repurchase your San Antonio shares, I do not think you would be making any mistake as the prospects for the property have been steadily improving and some of the best ore in the mine is being developed on the three lowest levels to a depth of 1,500 feet. The No. 38 vein, which commenced at the seventh level, and has been developed to the tenth, is the most important orebody so far discovered in the mine, being even better than the No. 26 vein which for years was the mainstay of production.

The No. 38 orebody on the ninth level has been extended by drifting for over 1,750 feet and the average

width is 12 feet with grade running between \$12 and \$13 a ton. While values have tapered off to the west there is still no indication of having reached its limit to the east. Drifting on the tenth level was recently resumed and the ore length extended to 500 feet with width and grade about the same as on the horizon above. Development of this vein has given the company the best position in its history as regards ore resources.

At the beginning of the year ore reserves were sufficient to supply the mill for three years. Diamond drilling is now being done below the tenth level preparatory to carrying development deeper. A net profit of \$353,285, equal to 15.24 cents per share, was reported in 1938 and dividends totalling 14 cents per share were paid. In the first 12 weeks of this year the operating profit was \$122,485.

JUNIOR GOLDS

Editor, Gold & Dross:

I wish you would name some junior gold producers which look good to you, also one or two in the pre-production stage.

—V. F. L., Saint John, N.B.

Junior gold producers which appear attractive at the present time include East Malartic, Preston East Dome, Central Patricia, Kerr-Addison, Powell Rouyn, San Antonio, Leitch and Beattie, while Malartic Goldfields has appeal in those nearing the production stage.

DETROIT BRIDGE

Editor, Gold & Dross:

Can you tell me if the plan of reorganization of the Detroit International Bridge Company has been approved yet? Also, will you please tell me the terms of the reorganization?

—S. P. F., Edmonton, Alta.

The plan of reorganization of Detroit International Bridge Company was recently approved by the Federal Court at Detroit. The appointment of a board of directors will be delayed until July 31.

The plan provides that every \$1,000 principal amount of the first mortgage bonds—including all accumulated and unpaid interest—will receive 16 shares of new common stock. Holders of the

7 per cent debentures will receive 2 new common shares for each \$1,000 of debentures. In short, 92.3 per cent of the new common stock, or 191,649 shares, will be distributed to the bondholders and 7.7 per cent, or 16,000 shares of the stock will go to debentureholders. For each 2 preferred shares held, a purchase warrant will be issued, entitling the holder to buy 1 share of common for \$12 within 2 years; for each 40 shares of old common held, one such warrant will be issued.

CONSOLIDATED OIL

Editor, Gold & Dross:

Kindly furnish me with a report as to the financial standing and future prospects of Consolidated Oil Corporation.

—D. F. L., Montreal, Que.

Inasmuch as Consolidated Oil Corporation holds only about an average position in the industry, continuance of the 1938 earnings decline is indicated for the near term, with the probability that early 1939 results will be unimpressive. Thus, although dividend declarations covering the first two quarters have already been made, maintenance of the 80c annual rate for the full year is not assured. The common stock of the company, consequently, does not offer much speculative promise at this time. Full year 1938 net was equal to only 55c per common share, against \$1.48 in 1937. (Continued on Next Page)

Securities for Investment

Suggestions for the purchase of government, municipal and corporation securities are made to suit the requirements of the individual investor. Consult any of our branches.

A. E. AMES & CO. LIMITED

Business Established 1889

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THE WESTERN SAVINGS AND LOAN ASSOCIATION

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411 AVENUE BUILDING - SASKATOON, SASK.

Division of WAGES and DIVIDENDS

Year ended March 31, 1939

- DOMINION TEXTILE CO. LIMITED manufactured 16.9 million dollars worth of goods.
- The cost of manufacturing and selling, excluding mill wages, was 11.7 million dollars.
- This left 5.2 million dollars, out of which the mill employees received in wages the sum of 4.7 million dollars.
- Balance remaining to shareholders, from operations, was 5 million or 2% of the value of their investment. To this amount was added approximately .5 million dollars income from investments.

Following are the figures:

GOODS MANUFACTURED WERE WORTH: \$16,929,519.47

COST OF MANUFACTURING AND SELLING THESE GOODS:

Raw Materials, Dyestuffs and Chemicals	\$6,502,109.99
Supplies, Repairs, Coal, Oil, Power, Etc.	1,983,382.25
Insurance, Depreciation, Interest and Discounts	1,830,059.63
Selling Charges and General Expenses	560,090.82
Administration and Pensions	385,641.41
Taxes: Municipal, Provincial and Dominion Income Tax	413,723.15
Total	11,675,007.25

Residue **\$ 5,254,512.22**

WAGES TO MILL EMPLOYEES 4,674,617.47

BALANCE FROM OPERATIONS \$ 579,894.75

Add Income from Investments (less Income Tax thereon) **440,337.04**

AVAILABLE FOR DIVIDENDS TO SHAREHOLDERS \$ 1,020,231.79



Dominion Textile Company Limited
MONTREAL, CANADA

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE MARKET'S PRIMARY OR LONG-TERM TREND, UNDER DOW'S THEORY, IS UPWARD. THE SECONDARY TREND WAS LAST SIGNALED AS DOWNWARD WITH CURRENT TEST NOW UNDER WAY AS TO WHETHER REVERSAL CAN BE EFFECTED.

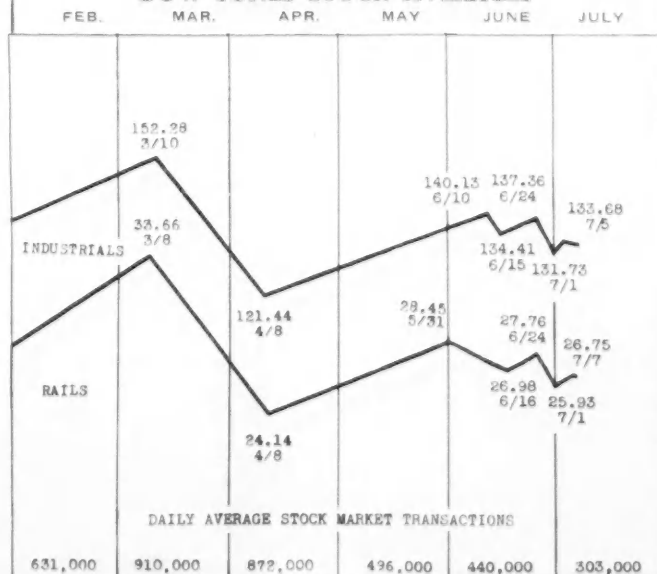
THE PRICE MOVEMENT. Investment funds continue to accumulate as indicated by rising bank reserves and the decreasing yields on high-grade bonds. Business activity, in turn, has shown a remarkable resistance to the adverse news background of the first half and, in the sharp June recovery, has displayed a resiliency surprising even to the optimists. Furthermore, the economic background calls for business recovery during the last half, with a level for the entire year 1939 tentatively estimated at well above the 1938 level. Earnings for the year, as compared with last year, should likewise register appreciable increase.

Altogether, this domestic background favors a higher range of stock prices over the last half and, could the foreign influence be eliminated, mid-June to mid-September would be the normal period for the market to discount the improvement. With Europe flaring up intermittently, however, and carrying the threat of war's disruption to normal economic sequences, the market, for the past two years, has had to adopt "quarter-back tactics." This implies carrying the ball forward, or in the main direction, only as a clear space momentarily appears, and otherwise marking time or retreating.

Impingement of the extraneous foreign influence on the domestic economy partially accounts for the short advances and long or slow declines of the past year in stock prices, despite which pattern the market managed to move forward on balance. The current year has witnessed an intensification of war tension and retardation has consequently characterized the market's movement. Outbreak of war would accentuate this uncertainty as the country readjusted to the new economic conditions created by such a development. In the absence of war, however, the domestic background, as outlined in an earlier paragraph, should dominate the market's action, on balance, for the current year. A technical condition is thus present in the market that, with any relaxation in the adverse foreign news, could easily register by way of a sharp upward surge.

At the moment, the market, as reflected by the two Dow-Jones averages, is caught about half way between the April lows and the May-June highs and, in due course, will emerge from these limits, thereby disclosing its underlying direction. Emergence on the upside would suggest a material forward advance. Emergence on the downside would leave the 1938 lows as the net zone of resistance. Since the downside or April limits were established under extremely adverse conditions abroad, it is doubtful, in view of the domestic outlook, if such points will be threatened except under the actual outbreak of war. Barring war, therefore, probabilities would seem to favor eventual upside emergence by the market from its present confines.

DOW JONES STOCK AVERAGES





Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.



Faith in Canada's Future

To lend money on Canadian real estate away back in 1855, when this Corporation was first established in business, required more than good judgment—it required faith. The future of Canada was obscure. Never in the years that have followed has that faith wavered. It governs the Canada Permanent policy to-day.

CANADA PERMANENT Mortgage Corporation

Head Office
320 BAY ST. TORONTO
Assets Exceed \$69,000,000

Dividend Notices

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 210

Notice is hereby given that a dividend of two per cent on Canadian funds on the paid up capital stock of this Bank has been declared for the quarter ending 31st July 1939 and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st August next, to shareholders of record at the close of business on the 30th June 1939. The Transfer Books will not be closed.

By Order of the Board

A. E. ARSCOTT,
General Manager.

Toronto, 23rd June 1939.

DIVIDEND NOTICE

Second Standard Royalties LIMITED

Dividend No. 10

Notice is hereby given that a Dividend of 10% has been declared upon the Preferred Shares of Second Standard Royalties Limited payable September 1, 1939, to Shareholders of record at the close of business August 15, 1939.

By Order of the Board

J. E. HAYWOOD,
Secretary-Treasurer.

Toronto, July 7, 1939.



A Superb Hotel in New York

The Ambassador offers you a truly fine hotel, a distinguished address and a convenient location on smart Park Ave.

ONE SHORT BLOCK TO SUBWAYS
DIRECT TO N.Y. WORLD'S FAIR
No increase in rates

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GOLD & DROSS

(Continued from Page 14)

Consolidated Oil is one of the larger independent oil companies, and holds important interests in all divisions of the industry. Crude oil is obtained from extensive acreage located chiefly in Texas and the Mid-Continent. Fluctuations and profits are determined primarily by changes in crude oil and refined product prices. Since these depend largely on industry developments, earnings trends are, in a measure, not wholly dependent upon the business cycle. Following the increase in common stock in 1932, property additions and improvements are being financed from earnings. Notwithstanding large capital expenditures and liberal dividends, working capital position has remained ample, with cash items exceeding current liabilities. Finances were improved further in 1938 by the private sale of \$25,000,000 worth of debentures. Part of the funds were used to redeem preferred stock.

BIDLAMAQUE

Editor, Gold & Dross:

Can you tell me if Bidlamaque Gold Mines is working its property at the present time? Just where is the property and what development work has been done? Thanks.

—C. J. R., Quebec, Que.

Bidlamaque Gold Mines is inactive awaiting further financing. The company has 25 claims in Bourlamaque

township, northwestern Quebec, and the property is in good standing. Surface work and diamond drilling in 1936 and 1937 gave inconclusive results but two holes last year intersected the east-raking shoot which had a length of about 100 feet and is contained in a wide shear zone traced for about three-quarters of a mile across the property.

The first hole showed good-looking mineralization, which, however, only gave low assays. In the second hole 3½ feet of core near the bottom of the hole showed values of \$18.90, but other assays were low. Following last year's drilling the management is hopeful of results of further exploration as soon as funds are available.

CANADA CEMENT

Editor, Gold & Dross:

I have been considering a purchase of either the preferred or common stock of Canada Cement, or both. I would be very grateful if you would help me.

—W. G. L., Toronto, Ont.

Because of the large arrears on Canada Cement 6½ per cent preferred—\$31.62½ per share—and the fact that dividend payments may be continued at a reduced rate, this issue has average speculative appeal. I think that the common stock is quite unattractive at the present time.

Engineering and industrial building

in Canada is still lagging and the outlook for cement consumption over the short term is drab. The upturn in residential building will help Canada Cement to some extent, but what the company obviously needs is a good dose of heavy industrial building projects to stimulate it. Sales and earnings for the fiscal year ending November 31, 1939, will probably approximate those of the 1937-1938 fiscal period when a deficit of 31 cents per share was shown.

SHERITT GORDON

Editor, Gold & Dross:

Is there any likelihood of Sheritt Gordon Mines paying a dividend in the near future?

—O. C. R., Winnipeg, Man.

If times were normal Sheritt Gordon Mines would likely have paid a dividend this fall despite the prevailing low metal prices, but in view of the unsettled European conditions it is important that the company maintain a strong liquid position. The fact that all the company's copper output is sold abroad makes it imperative to conserve cash so that in the possible event of shipments being held up there would be available a substantial treasury to continue operations. To realize sufficient profits from which to disburse a dividend an upturn in the price of copper is essential, otherwise a dividend would have to come out of the company's quick assets.

What is a Canadian Oil Royalty?

(Continued from Page 11)

ected by the promoter or oil-producing company. The ownership of royalties, or fractional interests in a lease, is recorded by this trust company to whom the assignment of the mineral rights or lease of such rights is made when the trust agreement is drawn up between the landowner or lessee, and the promoter or oil-producing company.

Under this trust agreement all funds received from royalty purchasers are paid to the trust company, and out of these funds the trust company pays the drilling contractor and other development expenses; draws up a contract with an oil-purchasing agency and, after production begins, receives all proceeds of the sale of oil from the pipe-line company or oil-purchasing agency each month, paying it out to the royalty-holders—some of whom are actually represented by the oil-producing company—less certain distribution charges, in proportion to the interest held by each.

Royalties vs. Stocks

The holder of a royalty is in a stronger position than the owner of shares in an oil-producing company. The directors of a company in which he held stock might wish to devote revenue from production to building a cash reserve, to the acquiring of further leases, or even to drilling wildcat wells, and he would have little or no say in the matter.

The royalty-owner, however, has a certificate of ownership of property rights secured by oil and gas underground, and is independent of the amount of profits made by the company. He receives his proportionate share of production each month, to spend as he likes. Moreover, in the event of the sale of the majority of outstanding royalties to some other company, the well may not be shut down, for under the trust agreement the well must be continued in operation as long as there is one royalty-holder who does not wish to see production discontinued.

There are many factors involved in the determination of the present value of an oil royalty, some of them resting on future developments, such as length of time it will take to recover the oil, the price to be received for the oil and the rate of return on invested capital during the life of the well—others based on judgment such as the amount of oil in the ground and how much of it can be recovered before the lease terminates.

In older oil structures which have been producing for some years, decline curves for other producing wells can be used as a basis for forecasting recoveries, while for newer structures, recoveries are more commonly estimated by multiplying the thickness of the oil-bearing sands, sandstones or limestones, by their porosity and by expected percentage of recovery, and dividing by a constant factor based on experience.

The typical oil well, operated without any control or proration, produces roughly one-fourth of its total ultimate production the first 15% to 17% the second year. Its life may be from 15 years upward. Some fields continue to produce for 90 years and more, while 50 years is quite common. Turner Valley wells have not been producing long enough for a reliable estimate of performance to be made. "Model Oils No. 1", however, has been producing steadily since 1930 and in 1938 was still flowing at about 70% of its highest rate of output.

In the summer of 1938, when it became apparent that Alberta oil production was exceeding prairie consumption, the Royalty Company, who operate the pipe-line to Calgary, attempted to prorate the wells. Later, the Conservation Board was formed to take over these duties, thereby giving each existing well a fair share of the existing market, and preventing the

wells from depleting too rapidly with the consequent losses in ultimate recovery as found in oil-fields when no control is exercised.

Prairie Consumption

Last year the Prairie Provinces consumed at the average rate of 21,300 barrels of oil per day over the whole year. Of this total, Turner Valley provided 18,450 barrels or 87%, and of this 18,450 approximately 16,100 barrels came from the crude-producing wells, the balance being from naphtha wells. Recent legislation against the dumping of oil at less than field prices from the United States will probably result in Turner Valley getting a better share of the Prairie market during 1939.

There are, however, almost as many new wells at present being drilled, and planned to be drilled in Turner Valley as are producing crude oil at the present time. With the restrictions imposed by the Conservation Board, if further outlets to wider markets are not obtained by say another twelve months' time, there may be twice the number of wells sharing the same prairie market. Yet it is not considered that the oil reserves so far proved up are of sufficient magnitude to warrant the building of a pipe-line.

Eminent petroleum engineers have estimated present reserves at from 200 to 250 million barrels, in Turner Valley alone, and at the rates at which drilling is proceeding both in Turner and in other structures this difficulty will soon be rectified. A 350 million barrel reserve would justify a pipe-line to the Pacific Coast, if the market were available there.

Applying a Yardstick

Geologists estimate that in Turner Valley, where about 87% of Alberta oil production comes from, the average amount of recoverable oil is from 17,000 to 20,000 barrels per acre. In United States oil-fields, as a general rule, royalties are considered a "good buy", if purchased on a basis of three to four barrels of recoverable oil per dollar invested. Where exceptional operating uncertainties exist or where the "pay-out" period is of more than average length, more than four barrels per dollar is considered a proper ratio, while in cases where very little uncertainty exists a ratio of two barrels per dollar might be taken.

In an attempt to apply this rule to Turner Valley, let us consider a typical case where the interest in a well or lease on Crown land is divided into one hundred 1% units. The first 10% gross goes to the Province—say another 6% to the promoter in consideration for having surrendered his lease. The remaining 84 units may be divided into 50 net preferred royalties to sell at say \$3,500.00 each in order to provide \$175,000.00 for drilling the well and for other expenses incidental to development. The remaining 34 1% units are net deferred royalties which do not participate in production until the original investment of \$3,500.00 is paid back to each of the holders of a 1% net preferred royalty.

Now in this case there is actually a cash investment of \$175,000.00 and, assuming recovery at 20,000 barrels per acre on a forty-acre lease or of 800,000 barrels, there would then be 4.57 barrels of recoverable oil per dollar of investment. If we include the value of the first 16 gross preferred 1% units which participate in production from the outset (namely, those held by the Provincial Treasury and the promoter) then there are 3.46 barrels per dollar of investment. On the other hand, if the 34 deferred units are also included from the point of view of the purchaser of a 1% royalty interest, if he pays \$3,500.00 he is purchasing on a basis of about 2-3/10 barrels per dollar of his investment. Another general formula of value

used by the Standard Oil Company for producing properties under settled production is to multiply average daily production in barrels by market price of oil per barrel and multiply by 1000. On this basis a lease with one well producing 300 barrels per day averaged over say a year, times \$1.20 a barrel, the average field price at Turner Valley, times 1000, would place a value on the well of \$360,000.00 and a 1% interest would, therefore, represent a value of \$3,600.00.

Not a "Security"

Royalties are in a position midway between real estate and bonds or stocks. In the case of the latter there are a great many similar units dealt in on the market and the price paid for small number of units establishes the value for them all. Whereas with real estate, each parcel has to be considered and bought and sold on its own merits between individuals or their agents. The value of royalties, on the other hand, while they are listed on some exchanges, depends on a distinct set of individual factors for each well, or group of wells on one lease, and there are only a limited number of units outstanding for any well and probably very few of those on the market, so that transactions, while assisted by exchange listings, are in some measure individual in that the buyer must await the finding of the seller or vice versa.

A large investor familiar with the oil industry can in some instances purchase royalties at cost plus 5%, while smaller buyers of non-producing royalties who are dependent on brokers for information may pay for a "mark-up" of 15% or even 25% on fractional purchases in cases where the deal passes through the hands of two or three "middlemen".

Wasting Assets

Oil like other minerals is a wasting asset and this is recognized by the exemption in Canada from income tax of 25% on income from oil royalties. Part of every royalty cheque should, of course, be regarded as a return of capital. The "pay-out" period or length of time required to return the original investment, after which further royalty cheques may be treated as income, may be anywhere from two to five years or even longer in cases where unit operation is planned for many years ahead, and where the element of uncertainty is reduced to a minimum. Naturally the shorter this period the better is the rate of return.

In the case of Turner Valley crude wells, approximately half of them have returned the original investment within thirty months while about one-fourth of them have "paid out" within eighteen months, and a few have even done so in less than a year's time. Investors in oil royalties have a wide latitude of choice between the seasoned royalty on a producing well under restricted unit operations, from assured reserves, where the returns are as regular and certain as, and even in some cases more so than, a bond; the only speculative element being the possibility of oil price changes, and at the other extreme, a non-producing royalty on a "wildcat well". Many shrewd investors follow the practice of buying "ahead-of-the-drill" and disposing of a portion of their holdings just before oil is struck, re-investing in royalties on another well, thereby obtaining diversification.

Royalties for Hedging

Oil royalties have their attraction as an inflation hedge, for oil being a commodity, oil prices are bound to increase with any evidence of inflationary moves on the part of governments. Prices of petroleum products have dropped twice as far since the so-called normal year of 1926 as have all commodities in general, almost 50% more than farm products have in the same time.

Great Lakes Power Company, Limited

5% General (Closed) Mortgage Sinking Fund Bonds

Due June 1st, 1957

Denominations: \$1,000 and \$500.

Price: 98 and accrued interest, yielding 5.17%

Established in 1916, the enterprise now operated by Great Lakes Power Company, Limited has a long and favourable record of operations.

Earnings of the Company in 1938, after deducting first mortgage bond interest and depreciation, amounted to \$360,672, and on the same basis average annual earnings for the last seven years amounted to \$338,842. Annual interest requirements of this issue will amount to \$100,000.

Descriptive circular will be furnished upon request.

Wood, Gundy & Company

Toronto Montreal London, Eng. Limited Ottawa Hamilton Vancouver London, Ont.



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Moreover, they are an excellent type of investment for those desiring to protect their position in the event of a major world war, for at the rate at which nations are adding to their motorized engines of war it is difficult to visualize any early decrease in consumption, while in case of actual hostilities the demand for oil would be limited only by the number of available vessels to transport it to Europe.

Other advantages accruing to the royalty owner are his strong legal position as owner of property rights secured by underground oil, and the protection given him by payment direct from the oil-purchasing agency, by way of the trust company, rather than through dividend declarations at the volition of a board of directors, and also through the government audit by provincial tax officials to ensure the receipt of the 10% gross to which they are entitled from production.

Pro-ration Benefit

Pro-ration, while it appears to work a hardship on the royalty-holder by lengthening the time required to pay back his original investment and decreasing the present worth of his holding, is nevertheless a factor working to his advantage both by making possible a greater ultimate return through greater ultimate recovery, and by assistance toward price stabilization. Yet under pro-ration there is an inevitable diversity of interest between the oil industry as a whole who want firm prices and best ultimate recovery per acre, and the royalty-holders or oil-producing company who would like to see their oil marketed as fast as possible.

The prospective royalty investor should ascertain whether he is buying a producing royalty or a royalty on acreage to be drilled. If the latter, he should have a geologist's report as to probable recovery. He should know whether it is an interest in one well or on all wells to be drilled on the lease, and whether a "gross" or "net" royalty, and if "net" whether it is 1% of the entire production or merely 1% of production remaining after the shares due to the province or original

owner of mineral rights, and the shares due to the original lessee, or promoter, have been paid.

He should look up the record of the promoter, and of the engineer reporting on the property as well as that of the solicitors who give the legal opinion on the undertaking. Needless to say he should read the engineer's report and study an oil-field map and learn the past and present performance of adjacent wells, with allowances, and learn whether gas-oil ratios and bottom-hole pressures are improving in them.

He should determine whether sufficient funds are provided to complete the well, and know all the details of the drilling contract. He should ascertain what management and trustee fees are to be included in operating expenses. He should inquire what portion of the price asked is selling commission and what is the "limit of preference" or full amount repayable before deferred units participate.

Also he should ask: "Are there any mortgages or other liens having priority?" In the case of a producing well also, many of these questions are proper ones to ask, though some obviously do not apply. The performance of the well itself to date should of course be studied.

Education Needed

Trading facilities in Alberta oil royalties are provided through reliable investment houses and branches of the trust companies concerned, and recently the Calgary Exchange decided to list royalties on their local board. Board quotes are in units of one-tenth-thousandth of a 1% royalty, thus, a 1% royalty selling for \$3,100.00 will be listed at 31c.

While this move will assist in creating a wider interest in them, the Western Canadian oil industry would benefit greatly by undertaking an educational campaign in Eastern Canada with a view to selling itself to a larger section of the Canadian public; when there are more eastern investors in Alberta oil royalties, there will be just that many more supporters in the east for the idea of opening up an eastern market for Alberta oil.

Western Oil and Oil Men

BY T. E. KEYES

THE Oil Inquiry was pretty much the front page oil news again last week. The Texas Company appears to have completed its evidence on marketing costs, although there are a few things more which the commissioners would like it to disclose; namely the relationship between the Texas Co. of Canada, the Texas refinery in Montana, and the parent company in Delaware.

Apparently the commissioners would like to have full details as to whether the refinery, for instance, sells its products to the parent company, and then if the parent company sells to its Canadian subsidiary, and what profit or loss results from the various transactions; with such details the commissioners would know if the refinery was charging the Canadian subsidiary too high a price and making a large profit, while the Canadian company was showing a loss.

A. H. Miller, salesmanager of the British-American Oil Company, spent a few days on the stand and explained (as did A. H. Halverson for the Imperial) to my satisfaction at least, why marketing costs and gasoline prices should be higher in Western Canada, a more or less sparsely settled area, than in the dense or compact areas in Eastern Canada.

In the Western provinces approximately 51 per cent. of petroleum products are sold in a four-month period, while in the East the sales are practically uniform for 10 months of the year. This means that in the West extra facilities must be provided for the peak periods, which facilities are used only a third of the time. In the East, the sales are 70 per cent. urban and 30 per cent. rural, while in the West the reverse is true.

Gasoline prices here in Calgary are approximately the same as at Cutbank, Montana, which is in the heart of an oil field and refining centre. I know this to be true, because I bought some gasoline in Cutbank just a few weeks ago, and I was rather surprised as I thought it would be cheaper, and had let my tank get empty.

As I have stated before in this column, we have had some real top-notch experts give evidence before this commission; but I think possibly one of the best-informed from many angles appeared on the scene last week in the person of Dr. John W. Frey of Washington, D.C. Dr. Frey is at present an associate director of the Petroleum Conservation Division,

office of the U.S. Secretary of the Interior. During the N.I.R.A. he was a member of the Petroleum administrative Board in charge of marketing. He has also held various other offices in the U.S. Petroleum Division, and from personal talks that I have had with him, I am convinced he knows a lot about the oil business.

Dr. Frey has been loaned by the U.S. government to the Alberta government to act as a consultant to the commission, and remarkable as it may seem, all this expert gets is his regular salary plus expenses from the Alberta government.

Now I am going to make a suggestion to someone with a little more nerve than I have. In doing so, I wish it clearly understood that I am not reflecting on the ability of the present commissioners who possess very keen analytical, judicial minds, nor on the Commission counsel, J. J. Frawley, K.C., whose honesty, integrity and faithfulness to duty are always evident, whether it be fighting large corporations (like the oil companies or the railways) or prosecuting millionaires or paupers.

However, this commission is costing the people of Alberta a lot of money, and likewise it has cost the major oil companies a lot of money, and a tremendous amount of inconvenience. It is something which should not have to be repeated for a few years at least.

My observation, based from letters received and from listening to conversations, is that any report that the present commissioners may write (who are extremely well trained in law but not in the various highly technical phases of the oil industry) will not be accepted with any great degree of confidence by the public, oil men, and especially investors.

My suggestion is that some one whisper to the Lieutenant-Governor-in-Council the advisability of obtaining Dr. Frey's services for a further period and making him a member of the present commission.

His recognized experience in the various phases of the industry and likewise his recognized standing, would add immense prestige to any report which the commission might make, regardless of the fact that he is at present an adviser to that body.

On the witness stand Dr. Frey said the cost of producing a barrel of oil in Turner Valley could be determined only if one were willing to

accept enough arbitrary allocations of various items or physical facts concerning the field, which at present are either not known or at best only partially known,—and the resulting cost figure would be only a scientific guess.

Here is his conclusion in regard to production costs in the Turner Valley field: "It is my opinion that with as little history and as few wells as exist in the Turner Valley oilfield, a cost of production study would be too inaccurate to be of any real value to anyone, except for historical purposes or as the basis for future comparisons of changes in operating costs."

Dr. Frey described drilling for oil as a highly speculative business. He said in part: "A study of oil fields reveals that there have been many fields that have not paid back from production the original expenditure in the field; again, operators in other fields have received their original costs back very quickly," this was especially true of the early operators in the East Texas field.

Apparently a new field can change conditions overnight in an older-established field, for, according to the witness, the bringing in of the East Texas field in the course of a year or so changed the financial position of a friend of his who in 1930 was worth \$29,000,000 but by 1932 was reduced to a pauper as the result of the discovery of East Texas, breaking the price of crude oil to a few cents a barrel, and also to the fact that his friend was required to drill several expensive, offset wells in the Oklahoma field.

Dr. Frey filed various exhibits prepared by government bodies, and one by Joseph E. Pogue, vice-president of Chase National Bank, New York. One of these exhibits shows that the percentage of dry holes is gradually decreasing in the U.S. But there are

still plenty drilled; in 1936 the number was 5296.

According to a chart in Mr. Pogue's book the total number of dry holes drilled in the U.S. up to the end of 1938 was 213,689; for each dry hole drilled, 179,000 barrels of oil was discovered.

While on this subject, I have just glanced at a map prepared by A. B. Smeal, C.E., showing every well drilled in Alberta below 400 feet, and the total number is 978. This is a very interesting map, and next week I will try to give you the number of dry holes, gas wells, naphthas and crude wells. I believe it will indicate that Alberta is a reasonably favorable area in which to prospect for oil, when compared to the U.S.

Coming back to Dr. Frey again, in discussing Turner Valley reserves and the ultimate recovery from this field, on which the life of the field was based, he pointed out that estimates of the experts differed as much as 300 per cent. between the high and the low. Only history will tell the correct figure, according to this expert.

The commissioners in their pipeline report estimated the life of the Turner Valley to be 18 years on an estimated daily throughput of 6,000,000 barrels per year. As one listens to the various angles and to stories of what may happen almost overnight to change conditions in, say, Turner Valley, one is not surprised that Royalty wants to get its capital costs back out of its pipeline in a hurry.

Outside capital is still interested in Alberta fields; last week a group of financial men from Philadelphia, New York and Montreal arrived by plane in Calgary, and before they left, I am told, they handed a very substantial cheque to President Jack Dallas of Roxana Petroleum. Mr. Dallas

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says that the money will be used to complete Roxana's well on the Kootenay Dome structure, presently standing at 3922 feet, about 800 feet in the Devonian lime formation.

The Roxana Company also holds considerable acreage on other structures, which structures the management intends to test very shortly. Mr. Dallas announced that Mr. Jean E. Savard of Montreal and Thos. H. McKay, Jr., of Philadelphia, both principals in the recent Roxana deal, have been added to the board of Roxana Petroleum.

According to information from Lloydminster, Shaw Petroleum's well, which is partly financed by the Franco Oils, encountered a measured gas flow of 8,500,000 cu. ft. per day with a rock pressure of 450 pounds.

This well is located about two miles from the nearest gas producer and about half a mile south of Lloydminster Royalties' crude producer. According to the Thorn interests, it enlarges the proven gas area in the Lloydminster field sufficiently to definitely establish enough gas reserve for the City of Saskatoon.

The Northern Natural Gas Company, a wholly-owned subsidiary of Franco Oils, signed a new franchise agreement with the City of Saskatoon last week. Under the terms of the agreement, the company will have the exclusive right to build gas lines and distribute gas in the City of Saskatoon for the next twenty years.

Generally speaking, operations are still held up in most wildcat areas due to impassable road conditions.

WE DISCUSS THIS WEEK

Canada Bread

(CONTROLLED by Maple Leaf

Milling Company, which owns a majority of the common stock, Canada Bread Company, Limited, operates 15 plants and 8 distributing depots. Plants are situated at Montreal, Que.; at Winnipeg, Man.; and at London, Windsor, Brantford, Galt, Hamilton, Ottawa, Guelph, Cornwall, Kingston and Sarnia, with 3 in Toronto, Ont. Distributing depots are at Westmount, Que.; and at Oshawa, St. Thomas, Woodstock, St. Catharines, Sudbury and North Bay, Ont. About 60 cities and towns are served by 590 wagons and 240 motor trucks. Weekly production is over 1,680,000 units of bread and cake.

Prospects over the intermediate term are for cheap wheat and cheap flour, which makes for wider profit margins in the baking industry. And Canada Bread is in a position to take advantage of a favorable trend. Competition in the baking industry is exceedingly keen with price-cutting chronic. Chain stores have been an aggravating factor in price fluctuations in that it is possible to purchase bread through this medium more cheaply than the same weight can be bought at the door.

In England and in certain states of the United States, the problem of changing prices was met by the establishment of a government board which controls prices, quality, wages, hours, etc. In Canada, the dairy industry has been placed on such a basis. Opinions as to the probabilities of such measures being taken in the baking industry vary widely.

Good Management

Since C. H. Carlisle, one of Canada's outstanding business executives, took over the presidency in 1934, Canada Bread's progress has been very satisfactory. However, despite the fact that earnings over the past several years have exceeded dividend requirements by comfortable margins, the arrears outstanding have been dealt with gradually. Such a conservative policy is in the best interests of the policyholders: by not overtaxing its growing strength, the company is being built up into a strong organization which will guarantee security of income and consequently ensure a higher investment rating for its securities.

In 1934, net was equal to deficits of \$1.19 per share on the preferred, \$4.09 on the Class B and \$1.39 on the common stock;

in 1935, net equalled \$4.64 per share on the preferred and deficits of 18 cents and 33 cents on the Class B and common, respectively; in 1936, net equalled \$13.08 per share on the preferred, \$4.04 on the Class B and 15 cents on the common; in 1937, \$14.95 per share on the preferred, \$4.98 on the Class B and 20 cents on the common; in 1938, \$20.35 per share on the preferred, and \$7.98 and 39 cents on the Class B and common, respectively.

At the time of writing the financial report for the fiscal period ending June 30, 1939, is not yet available, but it is expected that earnings will show a material improvement over those of the previous year, with dividends on the two preferred issues well covered and a substantial amount available for the common stock.

Balance Sheet Position

The balance sheet of June 30, 1938, showed total current assets of \$542,238, including cash of \$224,380, against total current liabilities of \$354,640. Net working capital was \$187,598, and profit and loss surplus \$254,595. Funded debt amounted to \$629,400 at June 30, 1938, and provision for the payment of this total by August 30, 1941, means that an average of slightly over \$200,000 will have to be set aside out of surplus earnings in the current year and the two succeeding years, as compared with the actual redemption of \$125,000 in the 1937-1938 year and \$156,400 in 1936-1937. In addition, it is likely that the company will add substantially to working capital. Such a policy means postponement of dividends on the common, but over the long term it will benefit the junior stockholders by reducing prior charges.

Canada Bread preferred is selling currently at 100-108 to yield approximately 4.8 per cent. Arrears on the Class B stock, selling currently at 53 to yield approximately 4.7 per cent., amounted to 75 cents per share at July 1, 1939. Appreciation prospects of both this issue and the senior preferred are limited, but both have appeal for income.

The common, at present prices around 5, has attraction as a speculation over the intermediate term. Dividend payments are not likely in the near future, but the fact that the company's position is strengthening, adds considerably to the likelihood of such disbursements being made within the next 3 or 4 years.

This boy has long white whiskers now

A LOT OF THINGS have happened since this picture was taken, some 60 years ago.

And a lot of things will happen during the next 60 years, and succeeding years—many things that no human being can possibly foresee.

But the management of a life insurance company must be prepared for whatever may happen. For the insurance policies a company issues are all contracts for future payment. Exactly how far in the future these payments will be made, nobody knows.

The management of a life insurance company must consistently take "the long view."

With each passing year, the time comes nearer when claims must be paid. So, each year, the company sets aside a mathematically determined amount of money as a reserve. Because this fund is required by law, it is known as the "legal reserve."

The management of a life insurance company must look ahead in another way. It must concern itself with such unforeseen conditions as depressions, panics, epidemics, and other disasters—and must seek to protect its policyholders' interests against these unexpected



contingencies. So the company sets aside an additional, and smaller, fund called a "contingency reserve," or "surplus." In New York State, the maximum amount of the contingency reserve is fixed by law.

And in investing these funds it must attempt, through the application of far-sighted and highly specialized judgment, to select income-producing investments which will prove stable, year in and year out.

By thus providing for the payment of all its normal obligations through its "legal reserve" ... and by setting up a "contingency reserve" to safeguard policyholders' and beneficiaries' interests even in the face of extraordinary emergencies ... a life insurance company seeks in every possible way to make sure that it can meet all its financial obligations to its policyholders and beneficiaries—in good times and bad—whenever these obligations fall due.

This is Number 15 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

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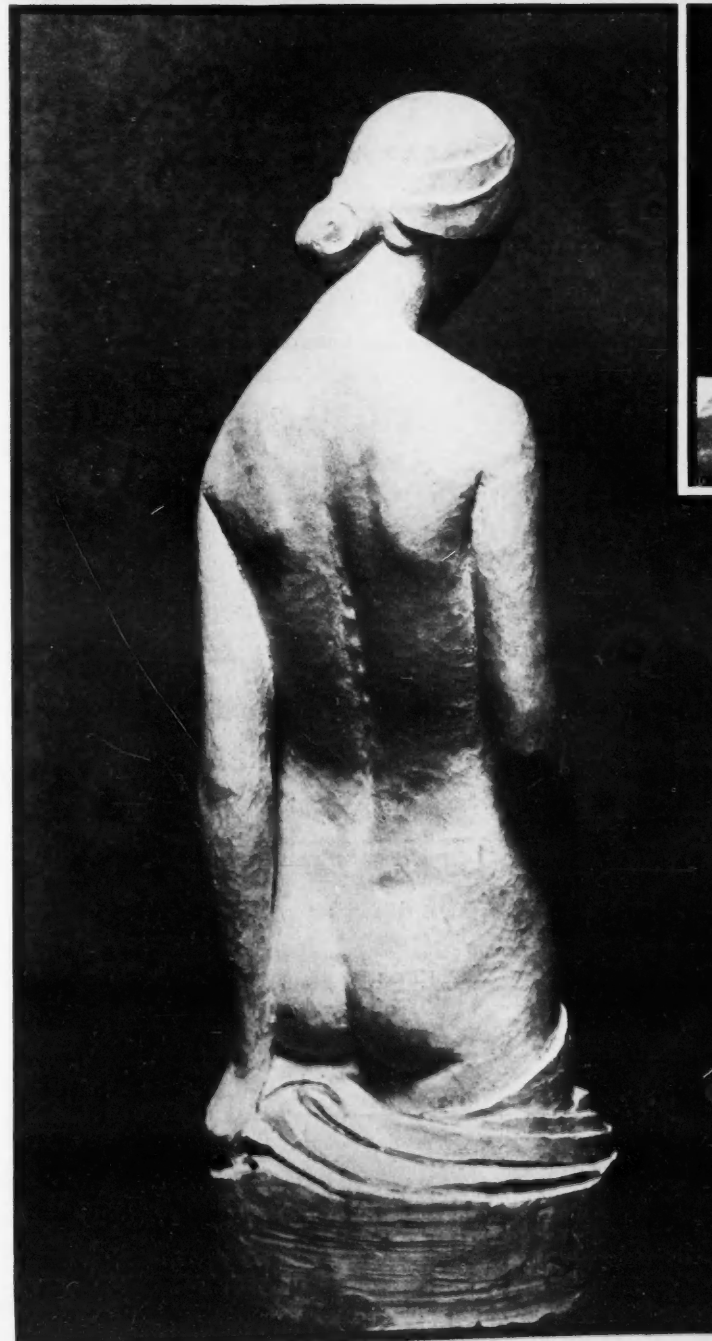
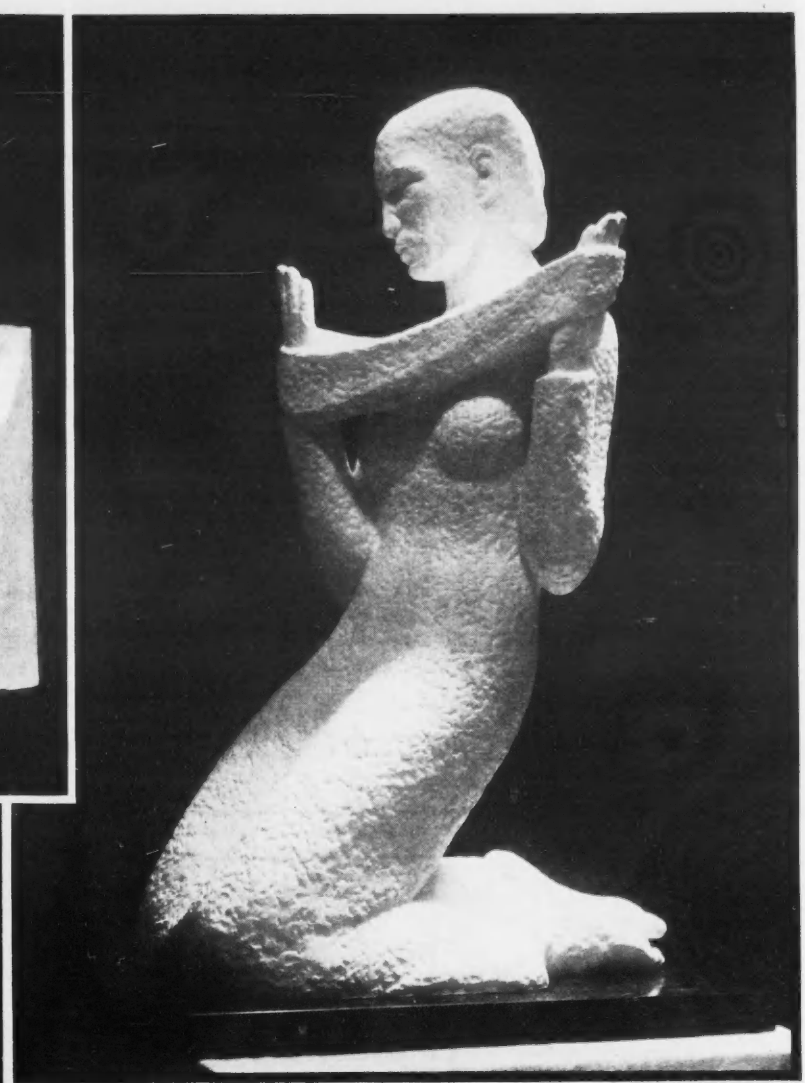
FASHION

HOMES

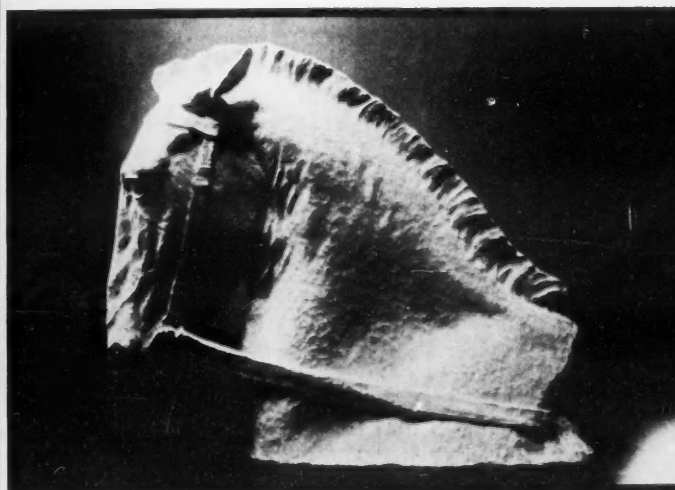
THE ARTS

TORONTO, CANADA, JULY 15, 1939

Canadian Sculpture Makes Its First Bow In U.S.



CURRENTLY ON VIEW in the Pan-American Building at the New York World's Fair is a collection of the work of Canadian sculptors, sponsored by the National Gallery and selected by the Sculptors' Society of Canada. This is the first time Canadian sculpture has been exhibited in the United States and the show includes, LEFT PANEL, top, "Girl With Fish" by Frances Loring, A.R.C.A. Bottom, "Study of a Young Girl" by Florence Wyle, R.C.A. CENTRE PANEL, top, "Cellist" by Florence Wyle. Centre, "Confusion of Mind" by Donald Stewart. Bottom, "Equestrian Fragment" by Emanuel Hahn, R.C.A. RIGHT PANEL, top, "Woman With Skein" by Elizabeth Wyn Wood, A.R.C.A. Centre, "Jongers, portrait of the Canadian painter" by Henri Hebert, R.C.A. Bottom, "Eskimo Mother" by Frances Loring.



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PORTS OF CALL

The Shrine of the Martyrs on Georgian Bay

BY MARGARET LAWRENCE

TO A PLACE called Fort Ste. Marie, on the Wye river, which is a little river emptying into Georgian Bay, near Midland, thousands upon thousands of pilgrims are coming this year. They have been coming in thousands for several years. But this year they come in particular remembrance of the three hundredth anniversary of the founding of the first Christian shrine on this continent north of Mexico and in honor of the six sainted lives spent there three hundred years ago, the Jesuit martyrs, the only saints this continent has upon the calendar of the saints. It is an event which is important in the very old history of the Cross. It is also important in the still young history of Canada.

The Ten Years

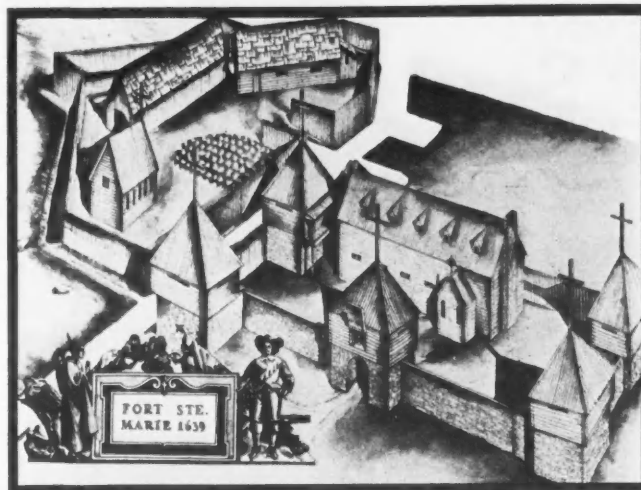
They will come, these pilgrims, over the blue water route of the great lakes waterways in ships; by train and by motor car and it will likely not be long now until they come also in ships of the sky. And they will think, all of them, however they come, of the priests of the Jesuit order who came three hundred years ago by canoe and through the forests. They will think—these pilgrims—of how much has changed on this continent in three hundred years, and they will remember that which never changes in any age—the hunger of the spirit for beauty and for understanding.

They will climb, as many of them as can, to the top of the hill of the shrine where there is a look-out, and see beneath them great stretches of land and of water—the land known three hundred years ago as the empire of the Hurons, and they will remember that gathered just beneath the hill in that time was the community of Fort Ste. Marie, built by the Jesuit missionaries as a centre for their work among the Huron Indians. Looking down from the height the pilgrim will see the grove of trees which now shelters the ruins of the first shrine on the bank of the little river. Three hundred years ago it was a wide river and the Jesuits themselves would climb to this same hill and look far out to the Bay to watch for the coming of their confreres, and from this hill also they saw the smoke from burning Indian villages—that sombre smoke which told them there was death to come to Huronia and martyrdom to their order. But—for ten years—1639 to 1649—they made beneath the hill a place for the spirit in a land of savage civil war and from this place they undertook to teach the redmen that there was something more to life than eating and sleeping and killing.

Early Teaching

Canada is a country over which the memory of an ardent spiritual beginning lies. The French explorers were men of dauntless gallantry toward the great rivers and the mysterious forests they slowly explored, and they had imagination and deep feeling about the work they were doing. They took possession of the country in the name of God and the King of France. As the immense size of the continent dawned upon them through the half legendary sagas of the Indians they met, and through the maps and notes they all made wherever they went, they thanked God for the second chance of mankind.

The Jesuits priests who came, scholars trained to render accurate accounts to the Superior, were also men of imagination. And the first duty of the white man, as they saw it, in the new world, was to the redman. They wished the beginnings of settlement to be set to the tone of the Cross. So willingly they went out from Quebec into the hinterlands to where the Indians lived in discomfort that had not changed for generations and would not change unless white men undertook to live among them as teachers. It would not matter that the Indians would not understand their motive at the first. The Jesuits were trained in patience. So twenty-three of the order went to Huronia and spent years traveling from Huron village to village teaching. Six of them were martyred. They found that the Hurons, ignorant of the scientific principles of land nurture, soon exhausted the food possibilities of one place and trekked on to another. They knew



THE FRONT ELEVATION of the original Fort Ste. Marie, 1639-1649, designed from the plan given in the Jesuit Relations, by Kenneth Dawson.
—Photo courtesy Canadian National Railways.

nothing of sanitation and so epidemics reduced them. And they quarrelled as easily and as enthusiastically as animals. Besides all this they were always afraid of what they did not understand. So they were difficult to teach.

Building a Home

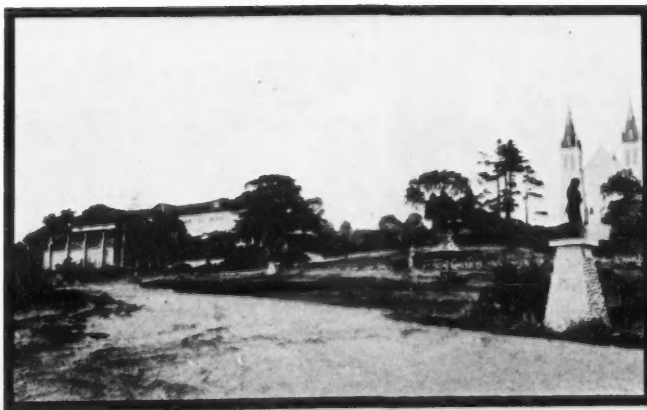
Quebec was a long way off. For tired missionaries to return each year to Quebec to rest was too hard. For this reason and also for practical teaching purposes the Order decided to build a central permanent home in Huronia. To this home the missionaries in the field—out in the forests, following the wandering Huron from village to village—could return—and there, with their confreres consult with the Superior, write their "Relations" and take their annual retreat in inner preparation for their next work. To this home the Hurons could come for treatment of their sicknesses, and to see in practical example how it was possible to build and sustain a community through careful cultivation of the land, through the raising of animals, and through foresight in the storage of food against emergencies. They would also see that people could live together in peace. So Fort Ste. Marie was built on the bank of a river in from the great Bay and sheltered. Up from the river the land rose gradually to a height at the top of which the priests could look out over the country and the bay for miles.

For ten years the community grew. And year by year it seemed to the missionaries that the Hurons were learning. They came in tribes often, begging for food and shelter as well as help for their sufferings. And year by year they listened to the gentle message of the Cross. But year by year the Iroquois up from the south came further and further north. And soon there was no peace anywhere in Huronia except behind the walls of Fort Ste. Marie. When the Iroquois struck at Huron villages they turned with the worst of their fury on the missionaries. And the priests would not desert their flocks. One by one they were captured and tortured. One by one they were martyred: Daniel, Jogues, de Brebeuf, Garnier, Chabanel and Lalemant. The Huron nation was being dispersed. As they were beaten back the remaining priests went with them. But before they left in 1649 they themselves burned Fort Ste. Marie lest it become headquarters for the greater savage, and harbor in its memory desecration.

It was as if they had known that three hundred years afterwards it would be a shrine in Canada as it was a shrine in Huronia. Perhaps they did know as they left the ruin of their work that they had built forever.

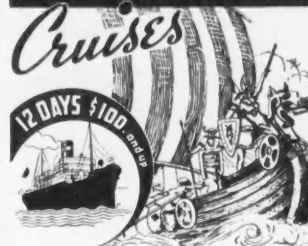
Blessed by Memory

The pilgrims know it. The years have passed and in the place where Fort Ste. Marie was there now are trees. The stone walls are sinking slowly deep into the earth. Grass has grown over them and the moat which lay deep around the walls is slowly filling in. It is a quiet place. Somewhere beneath its earth lies the



FORT STE. MARIE INN at the famous Martyrs' Shrine, near Midland, Ont., on the shores of Georgian Bay.
—Photo courtesy Canadian National Railways.

ADVENTURE



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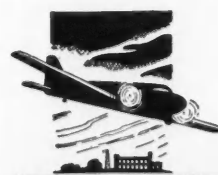
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MUSICAL EVENTS

Piastro Demonstrates His Mastery

By HECTOR CHARLESWORTH

MISHEL PIASTRO, first violin of the New York Philharmonic Symphony Society, was guest artist at the ninth concert of the present Promenade Symphony series in Varsity Arena. His triumph, despite conditions as bad for a violinist as they could be—a very hot night following a very hot day—was an amazing demonstration of mastery. All forces were on their toes, for it was first of this summer's "Proms" to be broadcast in Canada and the United States, and by short wave to South America.

So great was the enthusiasm aroused by Mr. Piastro in thousands of sweltering listeners that in the second part of the program the audience got completely out of hand in its demands for more. The whole concert was an answer to the assumption that summer throngs because they cannot afford to pay more than a low price of admission, do not want music of the higher order. Few items were of a so-called "popular" character, yet the listeners, with their clothes saturated, prolonged the concert until well after 11 p.m. by their demands.

Mr. Piastro is no stranger to Canada. He has appeared on two occasions at Massey Hall with the Toronto Symphony Orchestra, but never before have the surpassing brilliance of his virtuosity and the radiant beauty of his tone been so manifest. Perhaps this was due to the fact that in summer-time he enjoys release from his arduous routine duties as a concert-

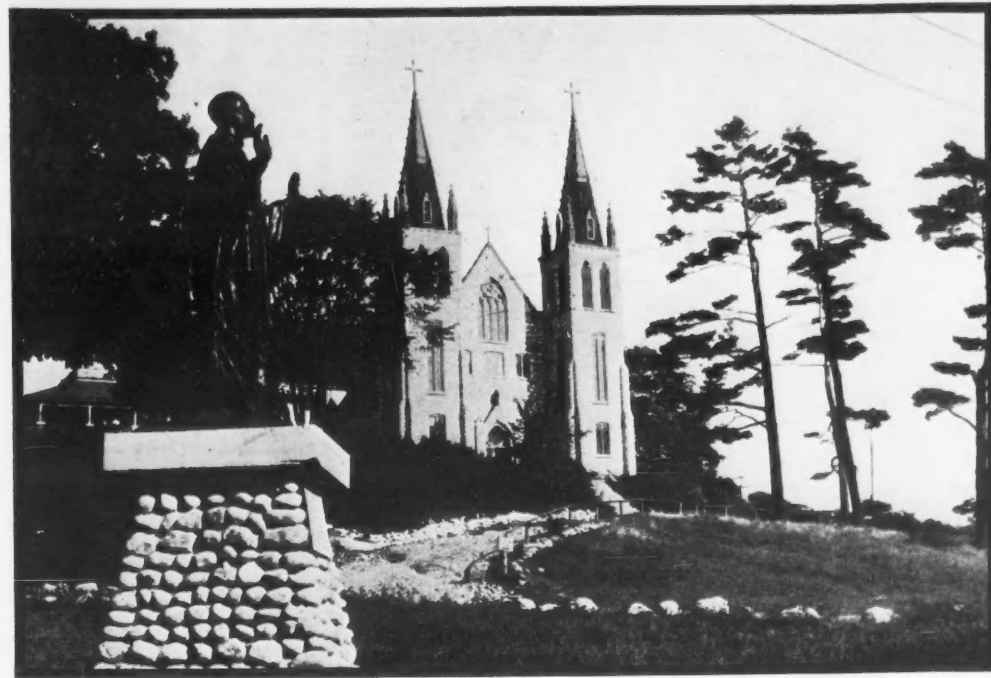
master. Anyway his art was thrilling at all times. He gave the most superb rendering of the Tchaikovsky Concerto that one has heard. It is a work so difficult that when composed in 1878, Leopold Auer, to whom it was dedicated, balked at the task of playing it, and it was not until some years later that Adolph Brodsky made it famous. As Piastro rendered it, it was a long, spontaneous, melodious, indescribably brilliant chant. There was magnificent exultancy in his handling of technical feats and when in the Finale he was compelled to accelerate presto to prestissimo to get within broadcast time, the lucidity of every note was amazing. In Sarasate's "Zigeunerweisen" the loveliness of his harmonics and the manner in which he literally ate up problems of double and triple stopping, were enthralling. Having shown his mastery of staccato he chose a glorious legato composition, Mendelssohn's "On Wings of Song". The smooth richness of his tone and its refined emotional fervor made listeners forget they were hot. They demanded more and after prolonged insistence got the Mozart-Kreisler Minuet and Schubert's "Ave Maria".

Considering all circumstances the orchestra under Reginald Stewart was in remarkably good form. Its numbers began with the conductor's own transcription of Mendelssohn's Fugue in E Minor. It opened rather tamely but the taste and authority with which Mr. Stewart built up tonal

volume to achieve a superb finale, augmented by chimes, was impressive. One of the most delightful of Bach's orchestral Suites, that which contains the Air for the G-string, was capably done, and the conductor's rhythmic intuitions were heard at their best in the three lively dances which follow. The musicians did a grand job in the orchestral part of the Tchaikovsky Concerto, though attention was naturally rivetted on the soloist; and though they seemed a little tired in Enesco's flamboyant Roumanian Rhapsody No. 1, their playing was clean.

Two Centenaries

A musical centenary which was overlooked this Spring in America, where conductors and artists are usually rather keen about such aids to popular interest, was that of the birth of the great Russian composer Modeste Moussorgsky, on March 21st, 1839. The oversight was perhaps due to the fact that until recently it was assumed he was born in 1835. Russia itself did not overlook the anniversary, however, and though the composer began his career as an army officer, has accepted him as a Soviet hero. This is no doubt due to the fact that Stalin's policy in recent years has been to stimulate the sentiment of Russian nationalism, and Moussorgsky was admittedly the most national of all his country's past composers. In recent months the fame of Moussorgsky has been celebrated in



THE STATUE OF FATHER ANTHONY DANIEL, first of the Jesuit Martyrs in Huronia, with the Church of the Martyrs' Shrine in the background.—Photo courtesy Canadian National Railways.

all the capitals of the Union of Soviet Republics. In order to popularize his music among the masses of the Russian people, the Government has ordered that all his songs be published with accompaniments transcribed for wind bands, and for domra and balalaika orchestras. Both instruments, the one of the lute type and the other resembling the guitar, are very popular as played in Russian cafes by gypsy musicians. The Government is also publishing for Con-

servatories all his notations of folk tunes—sketches and rough drafts still obtainable in manuscript. The composer died in 1881 on his 42nd birthday with many of his important works in a more or less unfinished state, but Rimsky-Korsakoff and other devoted admirers remedied these shortcomings. Nevertheless, it was not until a quarter of a century after his death that his name became known outside Russia.

Genoa, Italy, is preparing for the celebration of the centenary next May of the death of the greatest of all violinists, Niccolò Paganini (1782-1840). Practically all the great virtuosic feats on that instrument, familiar to audiences of today, originated with Paganini. He was the first to place a full scale in harmonics, and to perform "shakes" on two notes at the same time. His combinations of legato, or bowed notes, with pizzicato, or notes produced by fingers only, amazed his hearers. Heine testified that his tone was of incredibly soft and celestial quality; and composers like Spohr, Meyerbeer, Rossini and the youthful Liszt were his intense admirers. Despite the fact that he began at Genoa as a boy prodigy, son of a well-to-do merchant, and worked his way upward by intense devotion to his art, the most macabre legends became attached to his name. In the time of Napoleon when his fame as a young man was made, belief in a personal devil was still active even in educated circles. In England where his concerts were immensely popular and commanded double prices, belief was widespread that Satan had taught him his virtuosic devices. Another legend was that he had murdered his wife, and that the G string of his violin was made from her large intestine. This was supposed to account for the magic of his performances on that string alone.

For this crime he was alleged to have spent a long term in an Italian prison where he perfected his skill. Prints based on these legends found a ready sale in London and Paris, and though they infuriated Paganini, undoubtedly helped to swell his audiences. It gave the superstitious a thrill to imagine that the magician they were listening to was a murderer and that the devil was at his elbow. There are press agents in Hollywood today who would rejoice at the task of catering to a public so credulous.

Music at Lucerne

It is expected that Paderewski will be well enough to appear on August 5th in a recital at the International Music Festival in Lucerne, Switzerland, his adopted country. The Festival will last throughout the month, and, in point of the celebrities participating, will be immensely impressive. Toscanini will conduct several programs including Verdi's "Requiem". The veteran ecclesiastical composer, Lorenzo Perosi, will emerge from retirement in Rome to conduct two concerts by the Sistine Chapel Choir. The Choir of Strassburg Cathedral will be heard with the great organist Bonnet. Other famous artists to be heard are the conductors Bruno Walter, Sir Adrian Boult, Ansermet and Fritz Busch; Pablo Casals, 'cellist; Rachmaninoff and Horowitz, pianists; Gigli, Ria Ginster, and Hermann Schey, singers.

Alec Templeton's Humor

Radio has within recent weeks provided a boon to all music lovers who are also lovers of fun—and usually the two tastes run together. It is to be found in the humorous skits of the English pianist and composer, Alec Templeton. He is now heard from Hollywood on two commercial programs fed to the Canadian network, and has revealed himself the most amusing pianistic comedian who has appeared, since the performances of the elder George Grossmith in that field, over fifty years ago. He is a much more accomplished musician than Grossmith, and equally humorous. Though apparently the merriest soul who ever sat before a keyboard he is totally blind. When he first appeared in New York in the autumn of 1937 it was as a serious pianist of a high order; and his talents in im-

provisation were widely heralded. The discovery of his comic gift came later, and he now holds a position absolutely unique. His fertility in refined comic devices is absolutely amazing. A typical example is his presentation of "The Lost Chord" as it would have been had Sullivan used verses by Gilbert instead of those by Adelaide Procter. The refrain runs: "I never sat down at the organ; and I never, never lost a chord". Another of his recent skits was the popular ditty "Three Little Fishes" as Handel would have written it. Handelian methods have, by the way, always provided musical humorists with good material.

The second matinee concert in connection with the Toronto Conservatory Summer School this week was a recital by the noted Canadian baritone, George Lambert. His program was notable in variety, including arias from Handel's "Alexander's Feast"; an extended group from Schumann's song-cycle, "Dichterliebe"; Bantock's "Jester's Songs"; and folk-songs of many countries.

News and Notes

Steadily increasing patronage is reported of the summer orchestral series under Geoffrey Waddington, organized on a co-operative basis similar to that of the Toronto "Proms." Attendance was moderate at the first event early in June, but a weekly increase of 20 per cent, has been recorded. Mr. Waddington has met with much encouragement from the players themselves, who have asked for longer rehearsals, though under the co-operative system this does not mean further remuneration. The organization is being moulded into firmer condition with each concert and recently gave an admirable rendering of Beethoven's Fifth Concerto.

The Vancouver Symphony Orchestra, conducted by Allard de Ridder commenced its present series of Sunday afternoon concerts in Stanley Park on the last Sunday in June. Mr. de Ridder is one of the ablest of Canadian conductors, and his opening program included works by Wagner, Tchaikovsky, Smetana, Mendelssohn and Saint-Saens. These concerts are sponsored by a private enterprise, the British Columbia Electric Railway Company.

H. Poynter-Bell, at one time Warden of Hart House, University of Toronto, and for more than a decade music critic of the Montreal Star, has ceased to suffer in silence on the importunities of musical beginners. He has evidently been through some tough experiences of late, for he suggests to music teachers that a larger allowance of modesty will do no harm even to the best pupils. Teachers, he says, should get their pupils to see, not how much better they are than the worst of their fellow pupils, but how very much worse they are than the best of their kind.

Earle Spicer, the eminent Canadian baritone, is rusticiating at his summer home in Borwick, Nova Scotia, but just to keep in practice will sing over the national network every Friday evening at 8 p.m. EDT. No contemporary recital artist has so large a repertoire of English song, and during the past season he was the only singer who was heard both at the White House, Washington, and Rideau Hall, Ottawa.

Winnipeg Philharmonic Choir, long established and with a splendid record of achievement, has recently suffered a loss in the retirement of its able conductor, Herbert J. Sadler. At the recent annual meeting and dinner he was made an honorary life member of the organization and presented with a gift. A unique recital was recently given to a privileged few by the famous bassoonist, Dr. Hugo Burghauer, now resident in Toronto, and Boris Hambourg, 'cellist. They played a Sonata for two 'cellos composed by Karl Romberg, a Russian virtuoso on that instrument, but in this case the music for the second 'cello was played on the bassoon. Mr. Burghauer transposing as he read the score. Two Etudes by the German 'cellist Justus Dotzauer, were also played with 'cello and bassoon alternating. The performance was not only brilliant but beautiful.

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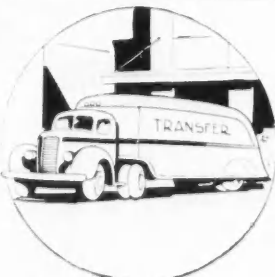
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THE FILM PARADE

The Double Feature Season

BY MARY LOWREY ROSS

SUMMER is always double-bill season. If you ask anyone in the industry the reason for this he will probably tell you that the production line is crowded and summer is the best time to work off the surplus. If you press the inquiry further and ask why the industry allows its production line to become so cluttered the answer will probably be that there must always be more pictures than the screen can comfortably accommodate, in order that the surplus may be worked off when the public is too indifferent to care whether it is being surfeited or not. The economics of this are so very peculiar that no one apparently has ever gone into them. . . One feels that at least one double feature bill should have been buried in Mr. Whalen's Time Capsule, to give the historians five thousand years from now something really complicated to figure out.

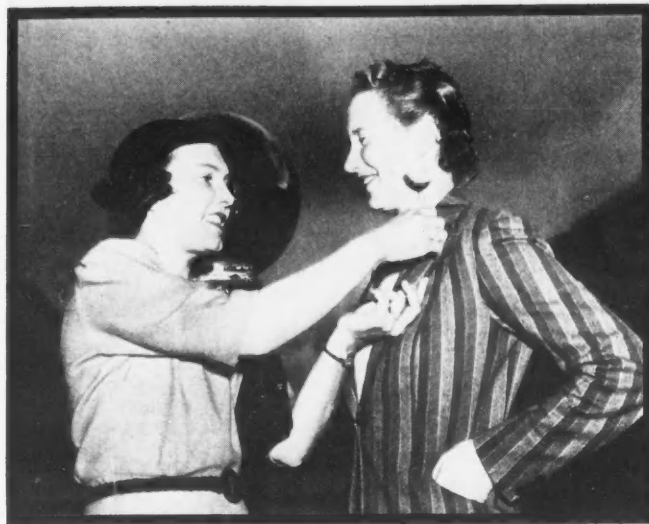
Wonder what the future sociologists, the Charles and Mary Beard of 6939, would make of such a combination as "It's a Wonderful World" and "Blind Alibi"? Were the people of 1939, they would wonder, actually content to sit still through four hours listening to these garbled sounds and watching this wild coalescence of unrelated images? They would probably roll the whole thing up in the end, stick it back in its tube, and conclude sadly that a race so surrendered to levity, inertia and madness undoubtedly got what it deserved.

Phantasmagoria

"It's a Wonderful World" has to do with the romance of a lady poet (Claudette Colbert) and a private detective (James Stewart). The poetess helps to support herself by reading love-lyrics to Boy Scout Groups. The detective, when the picture opens, is in trouble with the law for concealing a millionaire murder-suspect in a private launch temporarily in dry-dock. They meet when the hero, handcuffed to a detective, leaps, detective and all, from a passing train into a river. The two escape in the heroine's car, and to attract the hero's attention the poetess sets fire to the car and is dragged out just as her hat, an attractive flowered tricorne, is beginning to smoulder. Subsequently they spend a night in an orchard where the poetess tries to excite the detective's admiration by reciting selections from her own work and bounding apples off his head. Their flight is in pursuit of a missing half-dime, the property of an unknown English actor in the straw hat theatre district. It ends, happily, after a great many people, including the heroine, have been knocked unconscious and one of the summer stock actors has been murdered by mistake. The whole thing is worked out perfectly cogently and is often very funny. But you can see how the intelligent archaeologist of 6939 could easily confuse it with the dream-phantasmagoria of Mr. H. P. Earwicker (another curiosity of the period) sleeping off a drunk on a bench in the park.

Psycho-Undone

"Blind Alibi", though more seriously conceived, wouldn't help much further with his enlightenment. This is the story of a gangster-killer (Chester Morris) who has the incredible bad luck to break into the home of a professor of psychology (Ralph Bellamy). With the week-end guests herded into upper bed-rooms and one lying dead on the living-room floor, the professor puts the gunman through an unnerving little session in psycho-analysis, complete with diagrams. And if you don't think there is any dramaturgy in psycho-analysis, you should see Gunman Chester Morris.



MRS. J. F. GRAYDON of Toronto offers a flower to Miss Ruth M. Bowie of Angus, Scotland, as the newscameraman snaps them before the silver bowl on the terrace at Chateau Lake Louise in the Canadian Rockies. Mrs. Graydon and Miss Bowie were en route to the Pacific coast and Alaska.

—Photo by Nicholas Morant.

ris sweating over his free-association test.

It worked too. And the next time a gunman holds you up for your bank-roll, don't reach for anything—it's dangerous. Just challenge him with his Oedipus complex and watch the false courage fade out of him.

Actually "Blind Alibi" was much better than it sounds on paper. The gunman's memory searchings, in particular, were illustrated by some curiously imaginative camera distortions that conveyed a genuine and disturbing sense of nightmare. The whole picture indeed got a great deal better treatment in acting and photography than it really deserved. The actual story, apart from its popular Freudian exposition, isn't so very different from "Editha's Burglar," the Sunday School classic of long ago. Editha talked the burglar out of it too, as I

remember, by appealing to his love for his mother; though from a rather different angle.

But The Two!

Either picture, alone, would have been better than the two together. But with more pictures constantly crowding each other forward on the endless production belt, what is a poor distributor to do? Since we must, apparently, have double-bills, it might be a good idea for the industry to issue hold-over tickets, so that we could come back next day for the other half of the program after we felt rested up.

I'm afraid I can't give much account of "Man About Town" and "Undercover Doctor." Maybe, like the distorted character in "Blind Alibi" I just don't want to remember.

THE CAMERA

Some Waterfront Opportunities

BY "JAY"

I AM writing this from Edmundston, N.B., where I am to give a lecture on Photography, and spend one day photographing the chief industry and the life of the town.

Since leaving Toronto on July 1, our tour has taken us to Montreal via Highway Number 2, then along the north shore of the St. Lawrence to Quebec, across the ferry to Levis, there following the south shore to Rivière du Loup, and then inland to Edmundston.

At Quebec, I took time off to visit the docks and make a few pictures. And I think it might be interesting if at this point I made a few suggestions regarding this interesting and educational phase of amateur photography.

Down by the docks, here is where the imagination of the photographer can be given full play. Remember, it does not have to be sea-docks. Around our lakes and rivers there are countless opportunities.

Odd corners, corners where ships' ordnance is to be found, parts of the ships themselves, their bows, overhanging sterns and lifeboats, and the mooring ropes. Reflections in the water, and I personally find that these reflections are best taken when

the sun is setting, for it is at this time when the shadows are long and the sun has that quality which gives even to black and white photography a color so easily interpreted.

Then there are the activities of men at work, loading and unloading, running donkey engines and derricks, painting and ship-cleaning. One can get the keen thrill of the hunter when seeking out pattern pictures among the riggings and the slings filled with cargo. Then there are interesting studies to be made of the small dock-side railway engines, etc.

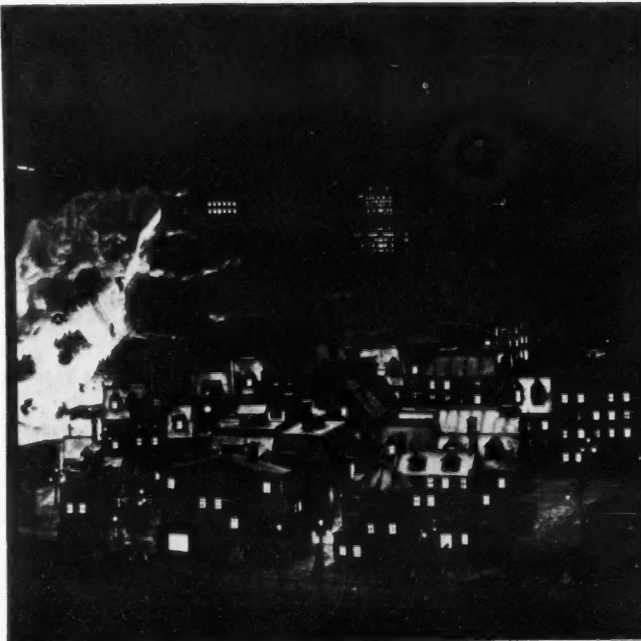
But why not let your own imagination tell you the rest of this story? I saw all of these things and many more when I was in Quebec, and at one other little place on the south shore of the St. Lawrence.

Now, what are the technical problems? One, and I think perhaps the only one of importance, is exposure. Remember you are in a land of contrasts. You may want to include in one negative, the white hull of a ship, its reflections in the water, and the dark and sombre dock buildings in the background. Why would you want to include all this in one negative, I do not know. But, presuming you do, then you must allow full exposure for the dark building and the shadows cast by the ship, but you must not over-expose the white hull, nor must you be too liberal with the reflections. So I advise a film with a good latitude, such as a medium speed panchromatic emulsion, and if possible a light meter.

I do not advise, though, such a picture as outlined above. In dockland as in every other place, the part is better than the whole, and a much better story can be told by concentrating on a certain part of a subject sufficient to tell the story with just a little left to the imagination of those who will later envy you the possession of such a fine picture. And one other thought in regard to this phase of the hobby. These pictures, when properly executed and finished, have a very ready market.

Light Meters

It will be noticed that I said in a previous paragraph: "And if possible, a light meter." I said "if possible," because so many do not possess them, and I have made a point of asking why, since I believe that to own a good camera and not the only sure method of gauging correct exposure is, to say the least, poor economy. Nine out of ten people, when I have asked the question, have given me the one answer: Cost. Light meters need not be expensive. While I realize the electric type are more accurate, there are many other types where, if a little common sense is



QUEBEC AT NEW YORK FAIR. A night-time scene of the Province of Quebec exhibit which brings nostalgic memories to people who have been fortunate enough to visit this famous French-Canadian city as dusk settles over its famous landmarks. The exhibit is in the Canadian Pavilion at the New York World's Fair of 1939. Among the recognizable landmarks are the Notre Dame de Victoire, Chateau Frontenac, and the Citadel with its accompanying Dufferin Terrace.



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applied to their method of recording, very satisfactory results are certain. It must be remembered that even with the electric meter, the human equation plays a certain part, and in the lower-price ones this same equation has a more liberal field to work in. So, if only a dollar and a half is spent for a meter and the difference made up with a more careful adaptation of its uses, then the photographer has an accessory that will save him many many failures.

And Filters

Just before I left Toronto, I received a letter from a gentleman in Calgary asking me if it was necessary to use a filter with panchromatic film.

I believe M.A.R. was referring to the recording of clouds. Panchromatic films will record clouds without the aid of a filter. It is only when exaggerated effects are required that a filter will be found necessary. In a recent issue of SATURDAY NIGHT, I had a page of pictures taken at the Niagara Military camp. In that layout there were two pictures, one of a camp cook, and the other a bugler. It will be noted that in each instance the sky was very dark. These were taken at noon, when the sun was very brilliant, and to gain the effect I wanted I used a light yellow filter. Now, had there been clouds in the sky, I would have used an orange filter in order to turn the blue to black and make the clouds stand out.

Filters have a very definite place in modern photography, and I advise M.A.R. to purchase one of the many little booklets published on their uses, because I do think many pictures are spoiled by the wrong filter and in some instances by the use of a filter at all.

TRAVELERS

Mrs. H. D. Warren and Mrs. Grant Pepler, of Toronto, are spending a month in the Maritime Provinces at a Girl Guide Camp.

Lady Foster of London, England, has rented her apartment in Trevor Square, and is shortly sailing for Canada, going on later to British Columbia.

Mr. and Mrs. E. R. Wood, who have been for six months at their house in California, have returned to Toronto.

Lady (Robert) Price of London, England, is sailing for Canada, and will spend some weeks at Tadoussac.

Mr. Collier Stevenson has returned to Toronto from New York.

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WORLD OF WOMEN

For Fearlessness and Invincibility

BY GERALDINE HOPE

THE Diamond has been treasured through the ages both for its beauty and talismanic qualities. Various virtues were ascribed to this stone that were born of man's early recognition of its unconquerable hardness and dazzling brilliance. Often associated with lightning, it was rather generally believed to owe its origin to the thunderbolt.

For thousands of years India was the home and place of origin of the diamond. The Hindus classified it according to their four racial castes, endowing each group with individual attributes. Other oriental peoples, the Arabians and Persians, believed that the diamond had the eerie power of bringing great good fortune to its owner. Rabbi Benoni, a fourteenth century mystic, asserted that the diamond produced somnambulism and that its talismanic power made its owner invincible.

Curiously enough these talismanic powers were believed to be effective only if the stones were acquired by gift. If obtained by purchase the powers became dormant until such time as the stone was again presented to another owner as a free gift.

However, all of these beliefs and superstitions centered about perfect stones. The Hindus thought that a flawed diamond or one containing spots or specks was so unlucky it could deprive even Indra of his highest heaven. If the diamond was red spotted or the color of blood it would quickly bring death to its owner.

Then, too, the shape of the stone had a vast bearing on its peculiar powers. During the times when few, if any, stones were cut, shape was of great importance. A triangular stone was said to cause quarrels while a square stone was supposed to inspire its wearer with vague terrors. A five cornered stone was in the same class as a red spotted one in inducing quick and often violent death. Only the six cornered stone was productive of good.

Diamonds ground to powder and used as poison during the middle ages, while not a common practice, was used by various nobles. The lethal effect of this type of poison is decidedly questionable and what deaths, if any, occurred through such use is probably attributable to the psychological effects produced plus the other poisons that had been given for good measure.

South African "Pebbles"

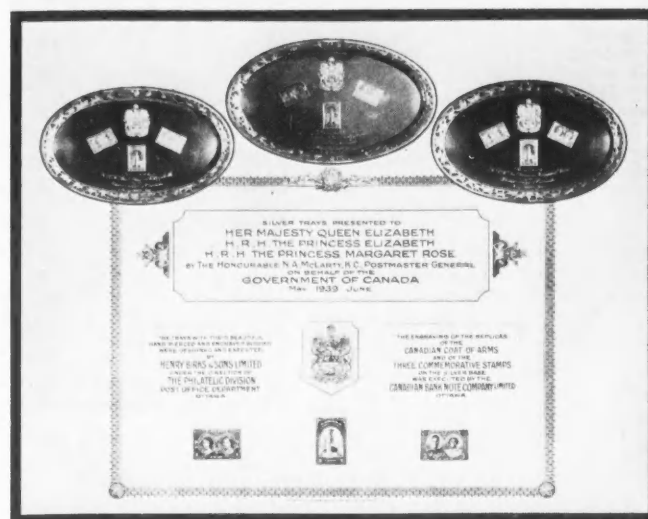
For centuries the diamond was the peculiar property of the orient. Western travelers brought back amazing stories of the magnificence and grandeur of Eastern potentates, of their gorgeous and fantastic jewels among which diamonds held the predominant place. This world-of-mouth advertising quickly stimulated a desire and taste for diamonds in Europe. It was not until the fifteenth century, however, that diamonds in quantity were accessible to Europeans following the development of diamond cutting in Antwerp and Amsterdam.

In the eighteenth century diamonds were discovered in Brazil and were mined so rapidly that for a time there was grave danger of this overproduction glutting the world markets and thereby depreciating the values of those stones. The Portuguese Government stepped into the picture and imposed taxes of sufficient steepness to offset and equalize overproduction. For a century and a half Brazil enjoyed the distinction of furnishing the world's supply of these precious stones. However, her predominance in the field was accidentally and irrevocably upset in 1867 by the discovery made in South Africa. The son of a Boer farmer living on the banks of the Vaal River picked up what seemed to be a large pebble but which in reality was a large diamond. The stone went through various adventures and was finally sold in Paris for \$2500.

For the next 30 years the great South African diamond fields produced diamonds valued at four hundred and fifty million dollars in cut stones. That this South African pebble was historically significant in opening up new and magnificently rich diamond fields can not be doubted but perhaps more historically interesting, glamorous and dramatic are many diamonds that have lived through the ages.

Mountain of Light

The Kohinor, a name that is universally synonymous with both great size and beauty in diamonds, began its authentic history early in the 14th century when it figured as a portion of the treasure taken from the reigning Rajah of Malwar. Previous to this time it had been in the possession of the rulers of Malwar for generations and is traditionally supposed to have been found in the Gidavary River four or five thousand years ago. When in its native cutting it weighed 186 carats and was named Kohinor, meaning "Mountain of Light." From the 14th to the 19th century the Kohinor was marked by a long series of murders, tortures, imprisonments and intrigue to gain possession of it. It finally became the property of Runjit Singh, Lion of Punjab. Upon his death it was immured in the Punjab treasury. When England annexed that portion of India the stone



ON BEHALF OF THE GOVERNMENT OF CANADA, unique and exquisite gifts of philatelic nature, prepared by the Post Office Department, were presented Their Majesties, and through Their Majesties to the Royal Princesses, by Honourable N. A. McLarty, K.C., M.P., Postmaster General. To Queen Elizabeth was presented a silver tray of magnificent design and through Her Majesty, slightly smaller trays of identical pattern, for Their Royal Highnesses the Princesses Elizabeth and Margaret Rose.

became the property of the conquering sovereign and as such was officially presented to Queen Victoria. She had it recut at a cost of \$40,000 and it was reduced in size from 186 carats to 109 metric carats. Since, as far as is known, the Kohinor never changed hands through purchase it is next to impossible to form any estimate of its value.

The Regent Diamond, pride of France, began its career in 1701 when it was found by a native worker in Central India. Weighing 410 carats, it was much too large for him to smuggle out of the mines so he made a huge gash in his leg, partly embedded the stone in it and then wrapped the leg with bulky bandages. Fleeing to the coast he bargained with an English captain for transportation to "distant lands" in exchange for the stone. The skipper disposed of the native en route and then sold the stone for \$5,000. It passed through various hands with successive increases in price until it was purchased by Sir Thomas Pitt for about \$100,000. Considerable ill-repute was attached both to the stone itself and the transactions involved in Pitt's acquiring of it so he promptly sold it, at considerable profit, to the Duke of Orleans, Regent of France. In 1792, during the disturbances of the French Revolution, the Regent was stolen with the other crown jewels. Such difficulty was experienced in the attempts to dispose of so large and well known a stone that it was found some weeks later in a ditch in the Champs Elysees. Later it was pledged to Holland and then redeemed by Napoleon and mounted in the hilt of his state sword. Today it rests in the Gallerie d'Apollon of the Louvre.

The Orloff

Among historical diamonds the only one that has retained its East Indian cutting is that known as the Orloff. Set in the eye socket of a statue of Brahma in a temple at Trichinopoly, in Mysore, southern India, it was stolen by a French soldier disguised as a native. He escaped to Madras where he sold it to an English sea captain for \$10,000. The captain in turn disposed of it to a London gem dealer for \$60,000. It was finally sold to Prince Orloff of the Russian Court who, hoping to regain the favor of Catherine II, presented it to her. The Orloff, the name it had acquired through its last purchase, was set in the Royal Sceptre and today is one of the Russian treasures of the Union of Soviet Socialist Republics.

The steely blue stone known as the Hope Diamond is the largest and most famous of the colored diamonds. Known in its present form only since 1830, several authorities agree in believing that its history antedates that year. Going back to the 17th century, a blue stone weighing 67 carats, was brought out of India and sold to Louis XIV. It was cut as a drop and pointed at one end. In 1792 it, with the Regent diamond, was stolen but unlike the Regent, the blue stone disappeared. In 1830 the present blue diamond appeared in London and weighed 44 carats. It was sold to Sir Thomas Hope for \$90,000. At about the same time another and smaller blue stone appeared which gave rise to the theory that it had been cut from the pointed end of the French stone. The facets of the 44 carat stone lend some basis to this belief.

Star of Africa

The Hope Blue was sold in 1911 to Edward McLean of Washington, D.C., for \$300,000. Superstitions have grown around the Hope Blue centering in the belief that its owner was doomed to bad luck. However, its present owner, Mrs. Evelyn Walsh McLean, widow of Edward McLean, has her own superstition regarding it. She believes that as long as she never allows anyone other than herself to wear it its supposed evil power will be held in abeyance.

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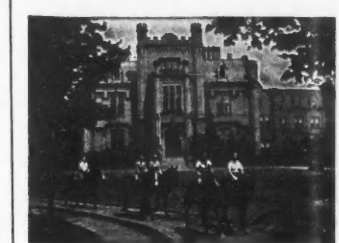
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THE BACK PAGE

Miss A. Meets a National Emergency

BY MARY LOWREY ROSS

MY FRIEND Miss A. was naturally much excited by the plans laid down by the recently formed V.R.C.W. for organizing the woman-power of the Dominion to meet a national emergency. A firm believer in war-preparedness, Miss A. immediately volunteered for service, appointed herself to a district and undertook a personal canvass along the lines laid down by the V.R.C.W. Miss A.'s findings have been unexpected and in some cases a little alarming. However, she feels that the work has been worthwhile and that the information collected will be of service to her country.

Miss A. reports that her early experiences indicate that Canadian women have at present no real sense of a national crisis. At the beginning of her survey she was considerably embarrassed by the complete misunderstanding of her mission exhibited by various Canadian housewives. A Mrs. Zilch, her first approach, said she was sorry but she had engaged a Finn, and closed the door before Miss A. could make any explanation. A Miss Mitty ("a very ignorant type," Miss A. reports) called

down through the speaking tube that they could take her lousy radio and see if she cared. Miss Mitty thereupon refused to answer Miss A.'s repeated rings at the bell. Mrs. Klein, the next door neighbor, also declined to admit her, merely calling through the letter box that she already had a vacuum cleaner.

MISS A. soon discovered that the best approach to the Canadian women in her district was to wave a large Union Jack. This immediately secured admission, and she reports that most of the housewives interviewed showed a lively interest in the questionnaire. A Mrs. Albert Thompson asked Miss A. if the V.R.C.W. was doing anything about the question of supplying nickel and scrap-iron to the aggressor nations. Miss A. replied

THE BACK PAGE

Suitable contributions to "The Back Page" will be paid for at regular rates. Short articles, verse, epigrams or cartoons of a humorous or ironical or indignant nature are what the editors are seeking. Preference is for topical comment. Address all contributions to "The Back Page", Saturday Night, 73 Richmond St. W., Toronto.

promptly that if the aggressor nations were not supplied with nickel and scrap-iron there would be no emergency and therefore no necessity for the V.R.C.W. She advised Mrs. Thompson to think this over. "You think it over," Mrs. Thompson replied and closed the door. Miss A. in accordance with the rule laid down by the V.R.C.W. has listed with-out asking a few questions about her background. Her unflinching inquiries on this point brought some curious surprises. A Mrs. Pomeroy, for instance, refused to cooperate on any point and when Miss A. inquired if Mrs. Pomeroy had ever been gainfully employed Mrs. Pomeroy said

A Mrs. Trotter, Miss A.'s next approach, proved to be a very excitable type who admits that she has suffered from nervous twitchings ever since Munich. When Miss A. asked her if she had taken any air raid precautions, whether she had facilities for taking children temporarily into her home, and whether she could drive a car in a black-out, Mrs. Trotter hurried off to hide in the cellar, apparently under the impression that the war had already started. Miss A. notes that while Mrs. Trotter can hardly be classified as disloyal, she is obviously too hysterical a type to be of much use in a national emergency.

A MRS. BURPEE said that she had already, involuntarily, taken in four of the neighbor's children, who were out in the backyard with Junior digging up the perennial border. She said that if she were required to take in any more children she would move to Quebec.

The Quebec clause indeed gave Miss A. a great deal of trouble. A number of housewives inquired why Quebec was omitted from the survey. When Miss A. explained that the canvass might be resented in Quebec, several women asked why it was all right for Quebec housewives to resent the survey and hostile or disloyal for Ontario housewives to feel the same way. Miss A. recognizes the fairness of the question and has added to her report the recommendation that all the housewives of Quebec be filed as hostile or disloyal. This she says would ease the feelings of the housewives of the other provinces and would help as well to increase the sense of national emergency.

Miss A. reports further that in a number of cases she met with the heartiest response and cooperation. A Mrs. Uglov said she was confident she could operate a power machine and asked to be listed for this service. Mindful of the warning issued by the V.R.C.W. that "some women may be over-confident and the opinion of someone who knows them should also be included," Miss A. then called on a Mrs. Phipps next door. Mrs. Phipps said that Mrs. Uglov couldn't operate a yo-yo and added that Mr. Uglov drank. Mrs. Phipps said to put her down for driving a car in a black-out. Miss A. then went next door to check with a Mrs. Bigelow. Mrs. Bigelow reported that Mrs. Phipps driving a car was her idea of a national emergency. She also informed Miss A. that Mr. Phipps had borrowed their hose nozzle in 1937 and had never returned it and that Mrs. Phipps and her married daughter were not on speaking terms. (Check this later.) Mrs. Bigelow ("a fine public-spirited, patriotic type," Miss A. reports) assured Miss A. that she would be glad to contribute time, energy, canned goods, and, if necessary, Mr. Bigelow, to the national emergency. Miss A. has filed all this information because she believes that in time of national crisis any information regarding the private lives of individual citizens can be employed to advantage by the state.

MISS A. was deeply impressed as well by the V.R.C.W.'s ruling that canvassers "will not accept any woman's statement that she cannot perform any of the services listed without asking a few questions about her background." Her unflinching inquiries on this point brought some curious surprises. A Mrs. Pomeroy, for instance, refused to cooperate on any point and when Miss A. inquired if Mrs. Pomeroy had ever been gainfully employed Mrs. Pomeroy said

For a Young Man in the Throes of Unrequited Love

Man's fate is this: to be alone.

This fact we always knew.

But oh! it freezes every bone

When first we learn it's true.

ROBERT SYRETT.

frankly that before her marriage she had operated as a Nazi spy. She added, however, that she had been obliged to give up this work since her marriage because Mr. Pomeroy objected to her hanging round government aqueducts, and besides it took too much time from her real hobby, which was rock-gardening. Miss A. has drawn the attention of the Minister of Defence to Mrs. Pomeroy's case.

A Mrs. Merkel declined to have anything to do with the survey. When Miss A. inquired what Mrs. Merkel did before her marriage, Mrs. Merkel ("a rude, aggressive type," Miss A. has noted) replied, "I minded my own business, Miss Nosey Parker."

THE above is, of course, an incomplete report of Miss A.'s survey which lasted a week and took her into many strange places. At the end of the week she was obliged to give up because she was beginning to suffer from fallen arches. Miss A. is greatly distressed by this affliction which she fears will disbar her from active military service when the national emergency actually does arrive.



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